

**PERFORMANCE MONITORING ROLE OF MANAGEMENT  
INFORMATION SYSTEM**

**(A Case Study on Machhapuchchhre Bank Ltd.)**

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## **RECOMMENDATION**

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### **PERFORMANCE MONITORING ROLE OF MANAGEMENT INFORMATION SYSTEM**

**(A Case Study on Machhapuchchhre Bank Ltd.)**

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## **DECLARATION**

I hereby declare that the work reported in this thesis entitled “**Performance Monitoring Role of Management Information System (A Case Study on Machhapuchchhre Bank Ltd.)**” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the degree of Master of Business Studies (MBS) under the supervision of **Shree Bhadra Neupane** and **Er. Shankar Nath Adhikari** of Shanker Dev Campus, T.U.

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## **ACKNOWLEDGEMENT**

This thesis is prepared as the partial fulfillment of the requirement of 100 marks for MBS. This thesis has covered the area of ' Performance Monitoring Role of Management Information System on Machhapuchchhare Bank Limited". Basically, this report is divided into five (v) parts. First chapter is introduction chapter. Where includes general background, role of MIS in an organization, introduction of organization, introduce about thesis topics, focus of the study, statement of the problem, objectives of the study & limitations of the study. In the second chapter express review of literature. It contains the conceptual frameworks about MIS, review of journals & articles and review of related research studies. The third chapter includes research methodologies to be used in the study. The forth chapter is about the system analysis, design and data presentation of MIS in relation to Machhapuchchhre Bank Limited. This is the body of the thesis. It concludes organization structure, sources of information, DFD analysis, analysis of existing technology, limitation of the existing system, finding of the system. Fifth or last once chapter includes summary, conclusions and recommendations with bibliography. During the preparation of this thesis, many people had helped directly and indirectly. I would like to express my gratitude for their valuable suggestions, time and effort offered to me for the completion of this thesis.

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**Samita Thakali**

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## **1.32 ABBREVIATIONS**

BoD	: Board of Director
CEO	: Chief Executive Officer
DBMS	: Data Base Management System
DFD	: Dataflow Diagram
DSS	: Decision Support System
ERD	: Entity Relationship Diagram
IT	: Information Technology
KBL	: Kumari Bank Limited
MIS	: Management Information System
MBL	: Machhapuchchhre Bank Limited
NRB	: Nepal Rastra Bank
Pos	: Point of sales
TPS	: Transaction Processing System
TWCN	: Third World Craft Nepal

# CHAPTER – I

## INTRODUCTION

### 1.1 General Background

#### ***1.33*** 1.1.1 Introduction of Management Information System (MIS):

MIS (management information system), modern, computerized system continuously gather relevant data both from inside and outside an organization. This data is then propose, integrated and stored in a centralized database. MIS is a system that provides information needed to manage organizations efficiently and effectively. MIS involve three primary resource technology, information and people. An 'MIS' is a planned system of the collection, processing, storage and dissemination of data in the form of information needed to carry out the management functions. In a way, it is a documented report of the activities that were planned and executed.

MIS must not only indicate how things are going, but why they are not going as well as planned where that is the case. These reports would include performance relative to cost centers and projects that drive profit or loss, and do so in such a way that identifies individual accountability, and in virtual real-time. Any time an organization is looking at implementing a new business system it is very important to use a system development method such as system development life cycle. The life cycle includes analysis, requirements, design, development, testing and implementation. Applying this same logic to a bank, we can safely say that a bank must have good management information system as a minimum to survive and prosper in this exceeding competitive word. MIS is the term given to the discipline focuses on the integration of computer systems with the aims and objectives on banking. The development and management of information technology tools assists executives and the general workforce in performing any tasks related to the processing of information. MIS and banking systems are especially useful in the collation of banking data and the production of report.

**Figure. 1.1**  
**The Internal & External component of MIS**



*(Sources: Fong J, 1989:3)*

"Figure 1.1 shows all internal and external components and their relationship in a computerized management information system." *(Fong, 1989:3)*

Management, Information and System are the three sub components of MIS that bring out the focus clearly & effectively. System is emphasizing a fair degree of integration and a holistic view. Information stressing on processed data in the context in which it is uses by end users. Management focusing on the ultimate use of such information system for managerial decision-making.

The terms MIS and information system are often confused. Information systems include systems that are not intends for decision-making. Sometimes MIS is referring to, in a

restrictive sense, as information technology management. That area of study should not be confusing with computer science. IT service management is a practitioner-focused discipline. MIS has also some differences with Enterprise Resource Planning (ERP) as ERP incorporates elements that are not necessarily focused on decision support.

MIS (management information systems) is a general term for the computer systems in an enterprise, bank or financial institution, multinational company & e-commerce site etc that provide information about its business operations. It's also used to refer to the people who manage these systems. Typically, in a large corporation, "MIS" or the "MIS department" refers to a central or centrally coordinated system of computer expertise and management, often including mainframe systems but also including by extension the corporation's entire network of computer resources.

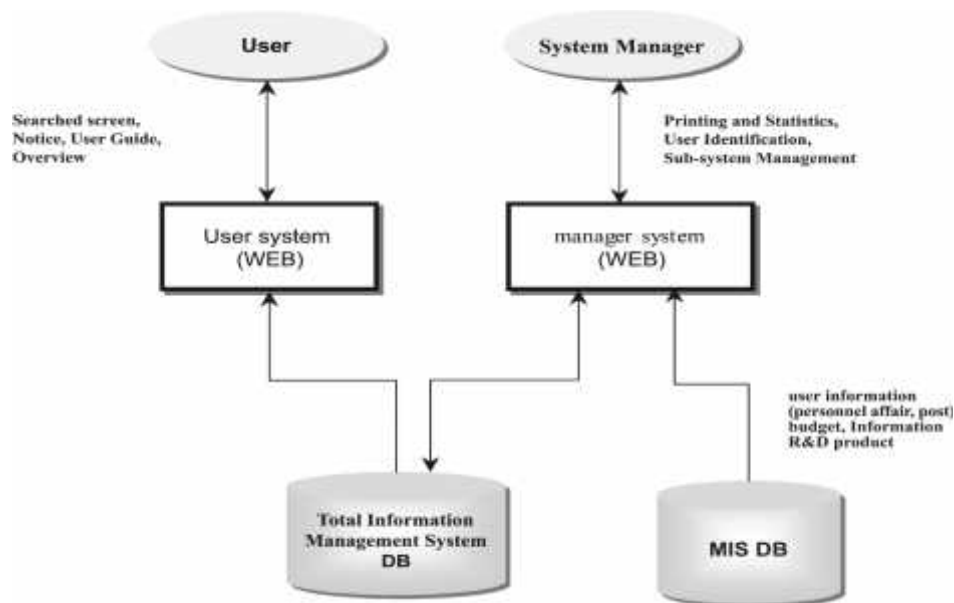
In the beginning, business computers were used for the practical business of computing the payroll and keeping track of accounts payable and receivable. As applications were developed that provided managers with information about sales, inventories, and other data that would help in managing the enterprise, the term "MIS" arose to describe these kinds of applications. Today, the term is used broadly in a number of contexts and includes, but is not limited to decision supporting systems, resources and people management applications, project management, and database retrieval applications.

Management information system is a subset of the overall internal controls of a business covering the application of people, documents, technologies, and procedures by management accounts to solve business problems such as costing a product, service or a business-wide strategy. Management information systems are distinct from regular information systems in that they are used to analyze other information systems applied in operational activities in the organization. Academically, the term is used commonly to refer to the group of information management methods tied to the automation or support of human decision-making.

MIS can be evolved for a specific objective it is evolved after systematic planning and design. It calls for analysis of business, management views and policies, organization culture and management style.

**Figure 1.2**

**The Implementation of a Total System for Information Management**



(Source: Jwadekar, 1998 )

An information system can be defined technically as a set of interrelated components that collect (or retrieve), process, store, and distribute information to support decision-making, and control in an organization. In addition to supporting decision-making, coordination and control, information systems may also help managers and workers analyze problems, visualize complex subjects, and create new products. Information systems contain information about significant people, places, and things within the organization or in the environment surrounding it. By information, we mean data that have been shaped into facts representing events occurring in organizations or the physical environment before they have been organized and arranged into a form that people can understand and use.

MIS can be categorized as follows (Mason, 1981):

- ) Databank information systems refer to creation of a database by classifying and storing data which might be potentially useful to the decision-maker. The information provided by the databank is merely suggestive. The decision-maker has to determine contextually the cause and effect relationships. MIS designs based on the databank information system are better suited for unstructured decisions.

- ) Predictive information systems provide source and data along with predictions and inferences. The decision-maker can also enquire as to 'what if a certain action is taken?' and whether the underlying assumptions are true. This type of MIS is useful for semi-structured decisions.
- ) Decision-making information systems provide expert advice to the decision-maker either in the form of a single recommended course of action or as criteria for choice, given the value system prevailing in the organization. The decision-maker has just to approve, disapprove or modify the recommendation. Decision-making information systems are suitable for structured decisions. Operations research and cost-effectiveness studies are examples of decision-making information systems.
- ) Decision-taking information systems integrate predictive information and decision-making systems.

### **1.1.2 Introduction of Organization:**

**Machhapuchchhre Bank Limited (MBL)** was registered in 1998 as the first regional commercial bank to start banking business from the western region of Nepal with its head office in Pokhara. Today, with a paid up capital of above 1627 million rupees, it is one of the full fledged commercial bank operating in Nepal; and it ranks in the topmost among the private commercial banks. MBL is the pioneer in introducing the latest technology in the banking industry in the country. It is the first bank in Nepal to introduce centralized banking software named **GLOBUS BANKING SYSTEM** developed by Tremens NV, Switzerland. Currently it is using the latest version of GLOBUS, referred as **T-24 Banking System**. The bank provides modern banking facilities such as Any Branch Banking, Internet Banking, Mobile (SMS) Banking, Safe Deposit Locker facilities, Utility Bill payment (Telephone & Mobile), ATM (VISA Debit Cards and Debit card associated with SCT Network ) to its valued customers. Besides these, the Bank is providing 365 Days banking and Evening Counter services to the customers through many of its offices. The Bank had been promoted by individuals and companies with local roots but from different walks of life with a vision and dedication to provide the best financial products and services in the most efficiency.

With the merger of its own kind, in fact the first biggest merger of two independent groups of the existing MBL and the then Standard Finance Company with a paid up capital of above

one billion rupees promoted by amongst other prominent local businessmen, the highly renowned Non Resident Nepalese, has given a big impetus to the bank.

At the time of establishment of MBL with total authorized capital Rs 240 million and issued and paid up capital Rs 84 million. With this merger, now with a paid up capital of over 2.47 billion rupees and reserve of Rs 240 million, 54 branch offices and 60 ATMs spread all across the country, it is one of the biggest 31 full- fledged national level commercial banks operating in Nepal. It takes pride in having its own buildings for its Corporate Office in Lazimpat, Head Office in Naya Bazar, Pokhara, It also has a new Structure fit for office of the corporate level coming up in Kathmandu.

**The success of business largely depends on management quality. Generally the management body of any business organization has two fold major objectives, first to manage the firm well and second to maximize profit and enhance shareholder's wealth. Machhapuchchhre Bank Limited is managed by chief executive officer (CEO) under the supervision and control of board of directors. Board of director appoints the chief executive officer. The board of directors of MBL is constituted by the body of seven member altogether. The management under the board is entrusted to nominate CEO under which corporate office at various branch operations. MBL is striving to facilitate its customer needs by delivering the best of services in combination with the state of the art technologies and best international practices.**

### **1.1.3 Relationship between MIS and Bank:**

MIS has been described as a pyramidal structure, with three levels of information resources. The level of information would depend upon the bank structure. Top level supports strategic planning and policy making at the highest level of management. The second level of information resources aid tactical planning and decision making for management control. The third level supports day-to-day operation and control. Thus, MIS as a support system draws upon concept of bank, banks theories, principles, structure, behavior and processes such as communication, power and decision making and motivation.

After restoration of democracy, the government of Nepal launched an economical liberalization policy. This has led to an increasing number of commercial banks in the

country. Due to such increment of commercial banks, competition also increased among them which have resulted in enhanced services to the customers getting more competitive advantage. This is only possible through proper information technology.

Management Information System is the backbone on which logical business decision are made in all types of business organization. Applying this same logic to a bank, we can safely say that a bank must have good management information system as a minimum to survive and prosper in this exceedingly competitive world.

### **1.2 Focus of the study:**

Main focus of this study is on the performance monitoring role of MIS in banks with special study of Machhapuchchhre Bank Ltd. Study is particularly based on variables which influence use of MIS and a diagnostic approach is made to find out the challengers and hindrances in optimum use of MIS. It also focuses to show relationship between Management information System (MIS) and Decision support system (DSS).

### **1.3 Statement of the Problem:**

The implementation of management information system highly depends upon the bank resource planning of an organization with effective utilization of new technology. This thesis summarizes the performance monitoring role of MIS in Machhapuchchhre Bank Ltd. Furthermore MIS problem in bank can be summarized as follows:

- ) Not define, E-banking and MIS plays role to improve the current business scenarios of Machhapuchchhre Bank.
- ) To observe Performance monitoring role of MIS is frequently seen as too difficult, slow and/or unreliable.
- ) Confusion on utilization area of MIS in bank.

### **1.4 Objectives of the Study:**

The objective of this thesis is to study and evaluate the performance of management information system or to design information system for Machhapuchchhre Bank. Moreover thesis will explore the following matter.

- ) To examine and analyze the existing information system of Machhapuchchhre Bank.

- ) To explain how systems serve the various levels of management in a bank and how this systems are related.
- ) To explain how executive information systems can support the information needs of executives and managers.
- ) To identify how to use collaboration and communication system and intranets improve in bank performance.
- ) To Suggest and recommend MIS to Bank on the basis of findings.

### **1.5 Significance of the study:**

This is thesis entitled "Performance monitoring role of MIS" (A case study of Machhapuchchhre Bank Limited). It is attempt to study practical implementation of MIS in a real organization like MBL study deals with the question that how MIS can be performance for the betterment of a big, real and complex organization as well as helping it in effectively carrying out its day-to-day managerial tasks.

Banking is an important institution in the economy and plays a very important role in the economic life and economic growth of any society. Management Information System plays a key role to build & success banking business. Stress has been layout in converting the traditional paper based MIS to a computerized, data base driven MIS and a lot has been written and discussed about. Studies are directly related to the analysis of the performance monitoring role of MIS in a big organization for better and effective management. The study also deals with implementation, need and benefit of using MIS in bank and its prospects for effectively improving work performance of each level of employees and decision makers.

This study hopes to find issues in utilization of MIS in a live environment and hopes to further strengthen the field of MIS here in Nepal and help understand the complexities involved in the used of an efficient MIS.

### **1.6 Limitation of the Study:**

As every research has its own limitation this study is not biased. As much as possible this thesis tries to cover the overall MIS of Machhapuchchhre Bank Ltd. But in Broad sense it is limited by date availability, Budget and time. There is no comparative Study with any other organization. This project only sketch about the performance of MIS of Machhapuchchhre

Bank Ltd. Everywhere benefit come together limitation. The main limitations of study period are pointed as follow:

- ) Lack of understanding the key term of subject matter.
- ) It is hard to get complete data by primary and secondary method so it serves the limited area.
- ) This Thesis is delivering by the self effort. So there may more errors by lack of experience.
- ) This thesis only summarize of performance monitoring role of MIS in Machhapuchchhre Bank Ltd, not in details.

### **1.7 Organization of the Study:**

The study will be organized on the following standardized pattern of usual sequence of topics.

#### **Chapter I-Introduction**

The introduction chapter includes general background/discussion of MIS/DSS, introduction of organization, introduce about thesis topics, focus of the study, statement of the problem, objective of the study & limitation of the study.

#### **Chapter II - Review of Literature**

In the second chapter, the review of literature is done. It contains the conceptual framework about performance of MIS, review of journals & articles and review of related research studies.

#### **Chapter III- Research Methodology**

The third chapter includes research methodologies to be used in the study.

#### **Chapter-IV- Data Presentation & Analysis**

The forth chapter is about the system analysis, design and data presentation of MIS in relation to Machhapuchchhre Bank Ltd. This is the body of the thesis. It concludes organization structure, sources of information, DFD analysis and presentation and analysis of primary data with general analysis of various indicators.

## **Chapter-V-Summary, Conclusion and Recommendation**

The last chapter will contain the summary, conclusions and recommendations of the case study. Summary of the research, the conclusion that the researcher found in the research period and the recommendation for the betterment of the system are included in this chapter.

Similarly, bibliography and appendices presented at the end of the study.

## **CHAPTER- II**

### **REVIEW OF LITERATURE**

A literature review is a survey of already existing writings (usually published) on a given topic or area with a view to assessing their relevance to a proposed project. The process of reading, analyzing, evaluating, and summarizing scholarly materials about a specific topic. The selection of both published and unpublished document (thesis, articles, journals etc.) On the topic, which contain information, ideas, data and evidence written from a particular standpoint to fulfill certain aims or express certain views on the nature of the topic and how it is to be investigated, and the effective evaluation of these documents in relation to the research being proposed.

#### **2.1 Conceptual Review**

##### **2.1.1 Management Information System:**

Management Information System is a system that provides information needed to manage organization efficiently and effectively. Management information system is regarded as a subset of the overall procedures in a organization. System that integrated management and information system is call management information system. MIS is a tool that provides right information at right time to do right decision on the instruction.

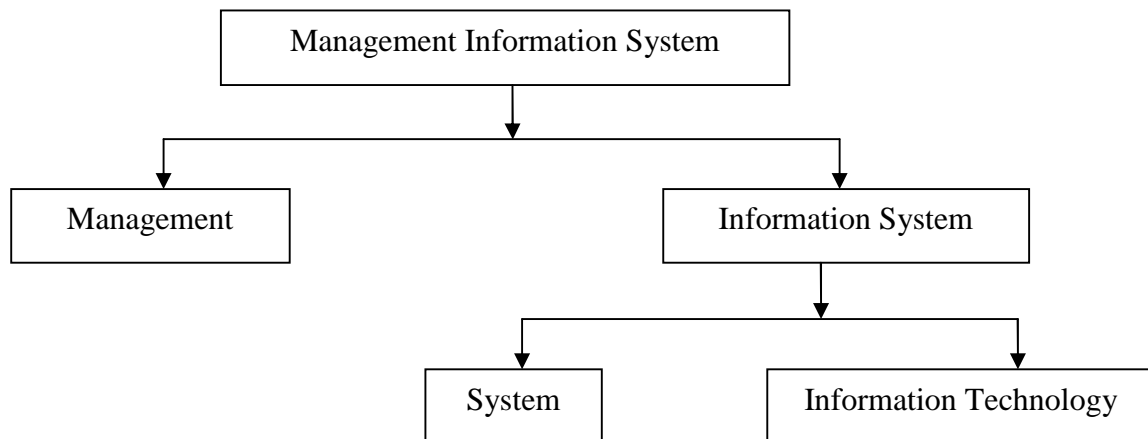
"MIS is an integrated, user-machine system for providing information to support operation, management and decision-making function in an organization. The system utilizes computer hardware and software, manual procedure models for analysis, planning, control and decision making and a database"(Davis,2000:6)

"MIS is a system to convert data from internal and external sources into information and to communicate that information, in an appropriate form, to managers at all levels in all fuctions to enable them to make timely and effective decisions for planning, directing and controlling the activities for which they are responsible" ( Lucey, 2000:2)

"Management Information System is that systems that helps to collects information and generates consolidate and comparatives reports to facilitate the decision-making. System that

integrated management and information system (hardware, software, database etc.) is called management information system". Conceptual framework of MIS is presented in figure 2.1 (Adhikary, 2007):

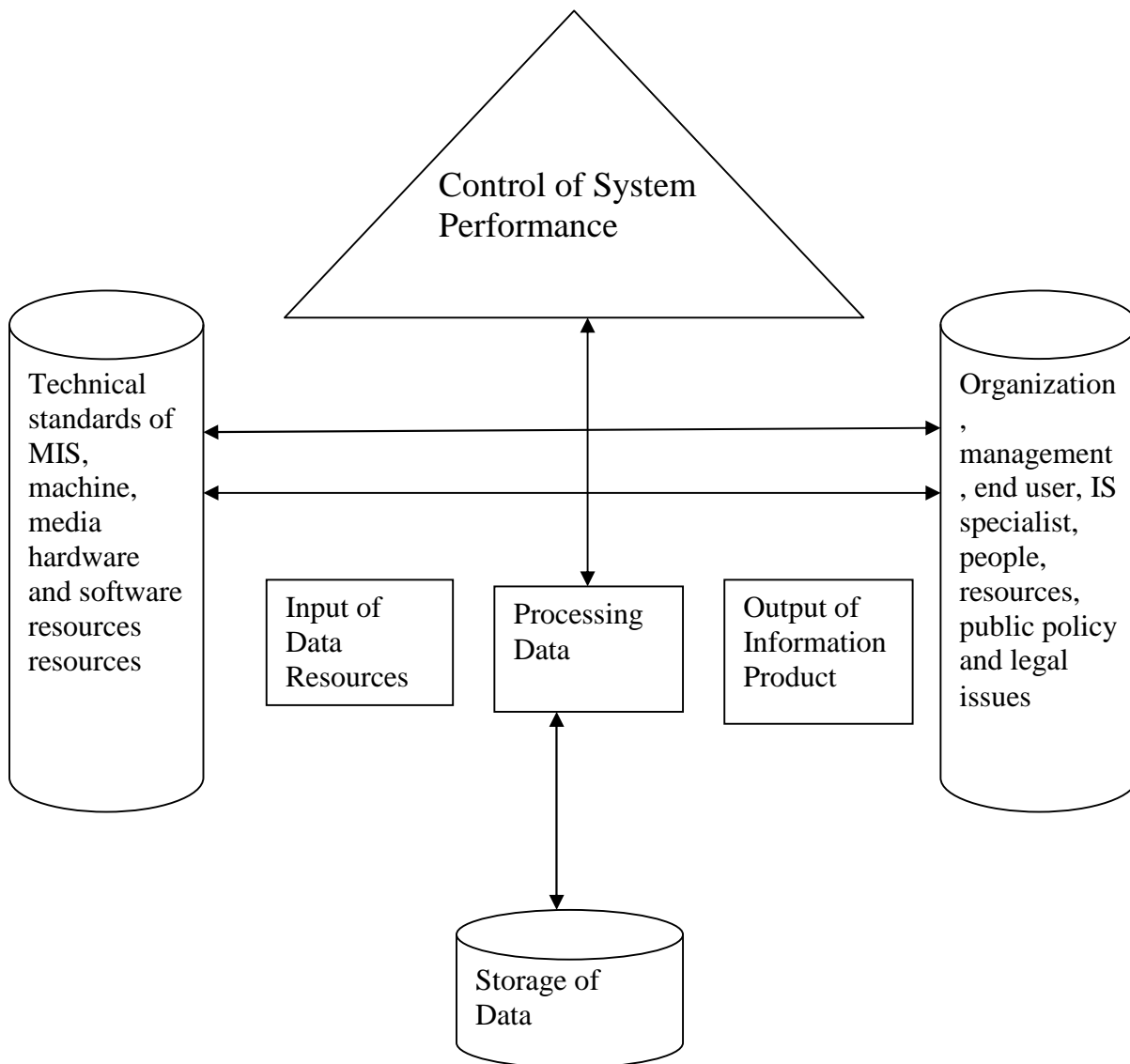
**Figure 2.1**  
**Conceptual framework of MIS**



(Sources: Adikary, 2007)

The primary function of MIS is to provide accurate, timely and right information to the decision-makers. There are some features for the appropriate MIS. MIS is an organized or planned effort and not the result of some sporadic attempts. MIS presents information in current, usable and easily understanding format. MIS is a system of users and machines. The users are as important to the system as are machines (Adhikary, 2007).

**Figure 2.2**  
**Architectural Framework of Management Information system**



*(Sources: Adikary, 2007)*

**Some Definition**

MIS is a system using formalized procedures to provide management at all levels in all functions with appropriate information, based on data from both internal and external sources, to enable them to make timely and effective decisions for planning, directing and controlling the activities for which they are responsible (*Lucey, 2000:27*).

MIS is a set of computer based systems and procedures implemented to help managers in their crucial job of decision-making. The actual process will involve the collection,

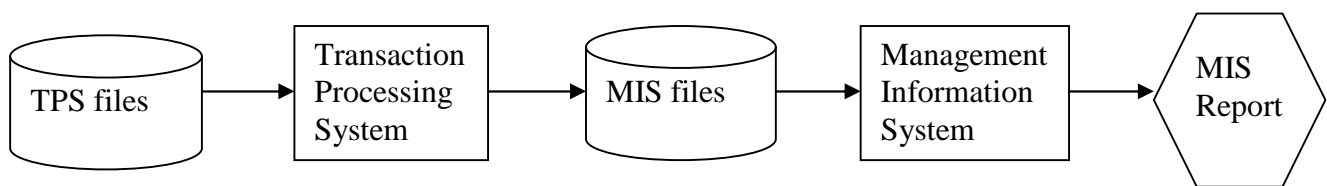
organization, distribution and storage of organization-wide information for managerial analysis and control (*Sadagopan, 2002:3*).

### 2.1.2 Tactical information system:

Management Information System is designed for providing information to important personnel in the organization. These systems make use of the already processed transaction data, which is output from the TPS and generate information report after processing data.

**Figure 2.3**

#### **Tactical Information System**



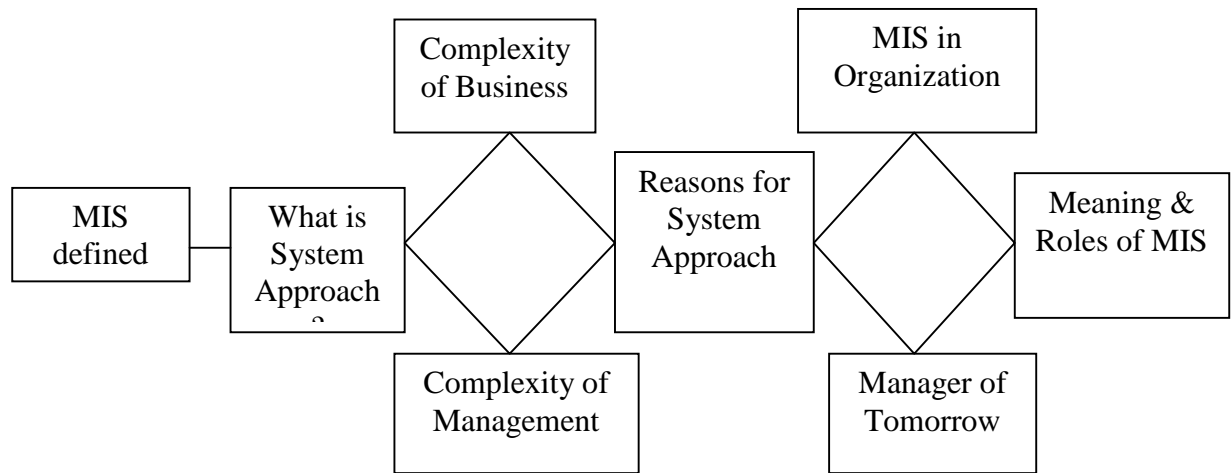
(Sources: *Adikary,2007*)

The output of the MIS takes the form of summary reports and exception reports. The summary report accumulates data from several transaction and presents the result in a condensed form (*Adikary, 2007*).

### 2.1.3 The Meaning and Role of MIS:

The role of the MIS in an organization can be compared to the role of heart in the body. The information is the blood and MIS is the heart. In the body the heart plays the the role of supplying pure to all the elements of the body including the brain. The heart works faster and supplies more blood when needed. It regulates and controls the incoming impure blood, processes it and sends it to the destination in the quantity needed. It fulfills the needs of blood to human body in normal course and also in crisis (*Jawadekar,2002:8*).

**Figure 2.4**  
**The meaning & Roles of MIS**



*(Sources: Murdick, Ross & Clagget 2002: 2-3)*

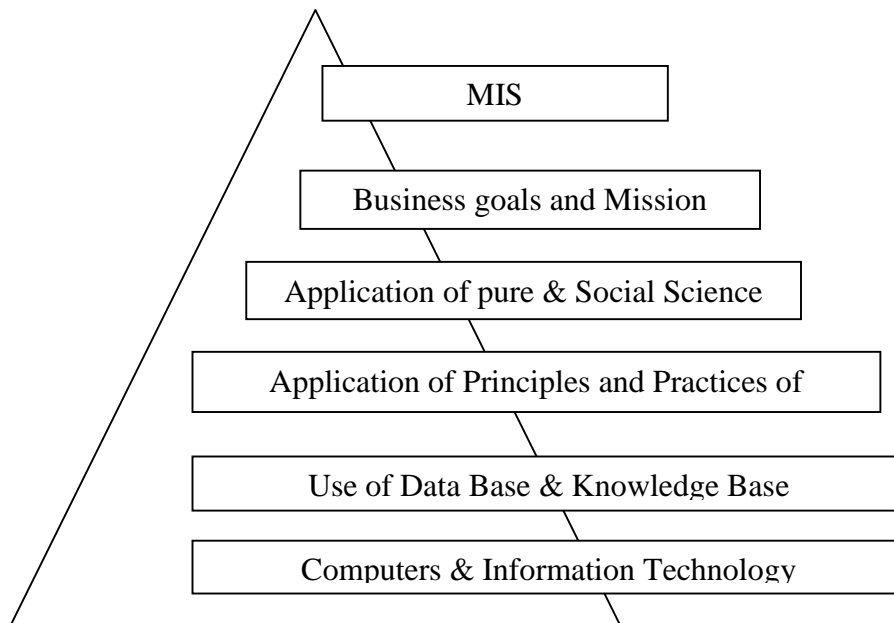
Management Information System is a planned system of the collection, processing, storage and dissemination of data in the form of information needed to carry out the management function. MIS system can be used to transform data into information useful for decision for decision making.

The MIS plays exactly the same role in the organization. The system ensures that an appropriate data is collect from the various sources, processed, and sent further to all the needy destinations. The system is expects to fulfill the information needs of an individual, a group of individuals, the management functionaries: the managers & the top management.

The MIS satisfies the diverse needs through a variety of systems such as Query Systems, Analysis Systems, Modeling Systems and Decision Support Systems. The MIS helps in Strategic Planning, Management Control, Operational Control and Transaction Processing. MIS system provide a valuable function in that they can collate into coherent reports unmanageable volumes of data that would otherwise be broadly useless to decision makers.

#### 2.1.4 The conceptual view of MIS:

**Figure 2.5**  
**Conceptual View of MIS**



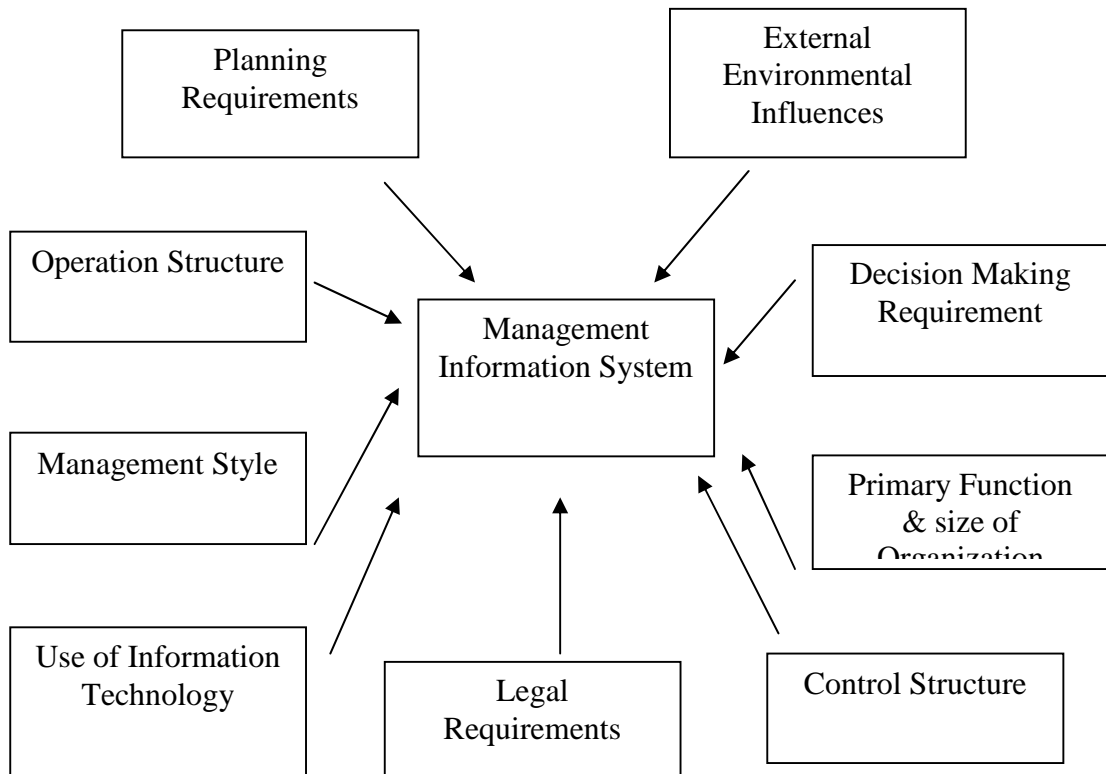
*(Sources : Jawadekar,2002)*

Figure 2.5 showed the conceptual view of MIS. In the top part, MIS consists. The operational parts identify the computers and information technology, after this Use of Data Base and Knowledge Base, application of principles and practices of management after the Use of Data Base and Knowledge Base. The system is like hierarchy system. Application of pure and social science is one of the most important strategies for rational decision. Beyond the top level information system business goal and mission play vital role (*Jawadekar, 2002*).

#### 2.1.5 Factors Influencing on MIS Design:

There are numerous factors, which influence the structure and scope of an organization's MIS, which are summarize in the figure below.

**Figure 2.6**  
**Major Influence on the organization's MIS**



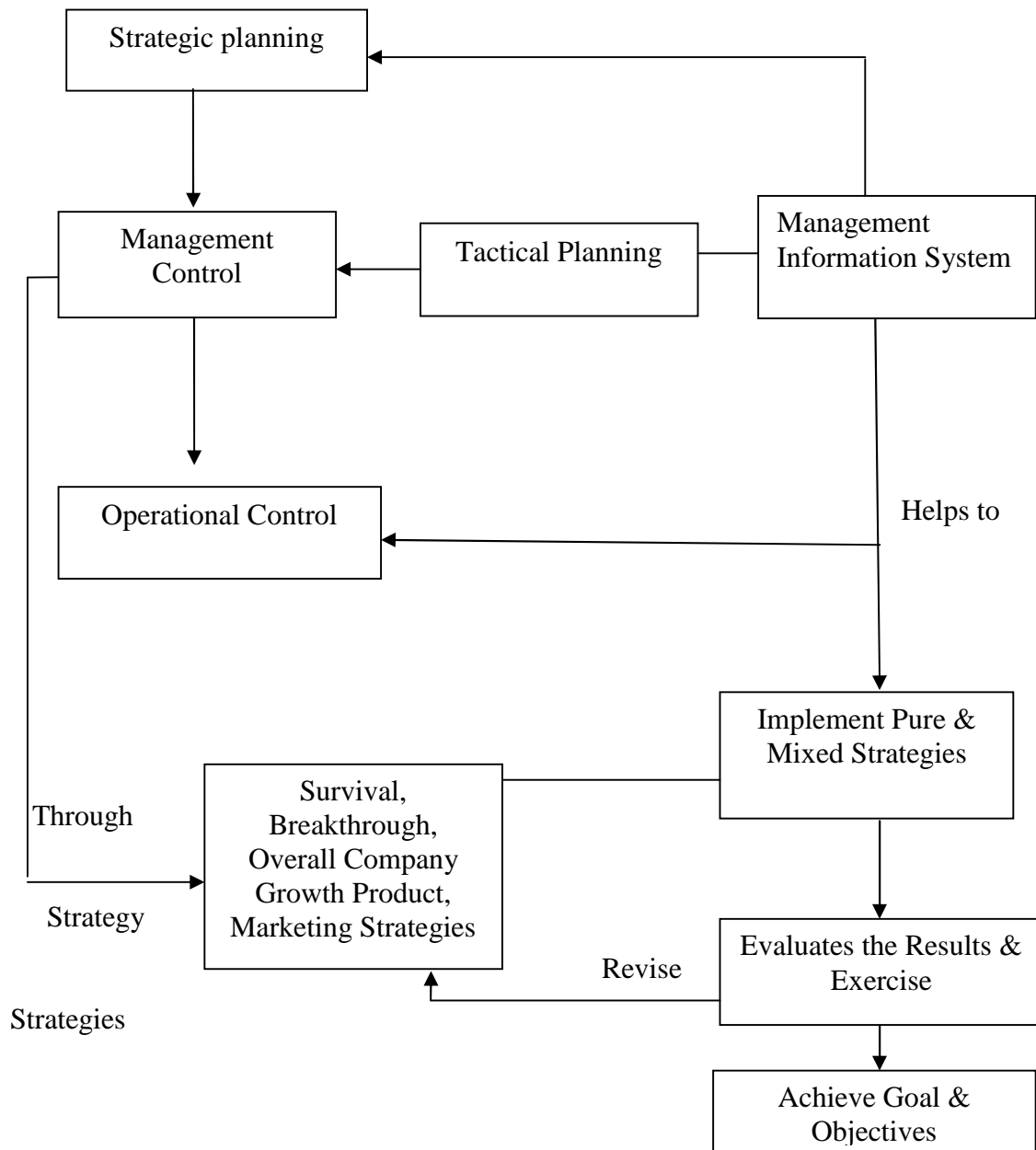
*(sources lucey, 2002:16/1)*

- ) The primary function of the organization is it a manufacturing or service company, a wholesaler, a local authority, a public utility, a hospital? Are there numerous functions? What linkages exist between them? Are they complementary or disparate? What types of technologies is used?
- ) The structure and levels of an organization is it organization composed of numerous sections and levels? What have the degree of autonomy section/department?
- ) The degree of centralization or decentralization. Is the organization tightly control at the centre? What decisions/ actions are the sections allowed taking? What is the committee structure?

- J Interaction with environment. To what extent is external information of importance? In what ways does the organization need to communicate with its environment- to customer, suppliers, trade unions, government departments etc. what is the legislative framework? To what extent, if any does the Data Protection Act apply?
- J What decisions need to be taking? What is the extent of programmed and non-programmed decision-making? What levels take the decisions? What is the urgency surrounding the decision-making process? What is the time scale of decisions?
- J The scale of operations. How many employees, branches / department / sections? What is the volume of order, invoice, bills, enquires, transactions etc?
- J The management style. Is it an authoritarian or participative style? Are procedure and operations routine and closely prescribed? Is management by exception practices? What is the control structure?
- J Use of information technology. What is the extent and type of IT usage? What degree of expertise exists throughout the organization not just the IT specialist? What is the availability of equipment?
- J TO what extent is planning formalize? What time scales are involved? What is the extent of participation in planning? How is planning monitor? How are plans implemented?

**2.1.6 MIS and Strategic Management:**

**Figure 2.7**  
**MIS & Strategic Management**



*(Source: Jawadekar, 2000:62)*

Figure 2.7 showed the relation between Management information System and the Strategic Management is shown by figure clearly (Jawadekar, 2002).

MIS employees provide data to decision makers within the company that assists with strategic decisions. MIS control the raw data that companies import from sales, services and other business. From that data, managers decide then make decisions concerning the company's future based on the information MIS provides.

#### Strategic uses of MIS

- ) Precise development of strategies, planning, forecasting and monitoring
- ) Problem solving
- ) Decision-making
- ) Separate work from location

#### **2.1.7 Importance of MIS:**

A management information system is generally thought of as an integrated, user-machine system providing information to support operations, management and decision-making functions in an organization. As a matter of fact, an MIS is a special-purpose system useful for management in an organization. MIS is an accessible and rapid conveyor belt for appropriate high quality information from its generation to its users. The heart of an effective MIS, therefore, is a carefully conceived, designed and executed database. Its level corresponds to adaptive decisions. The characteristics of MIS in practice include:

- ) an information focus, designed for managers in an organization;
- ) structured information flow;
- ) an integration of data processing jobs by business function, such as production of MIS, personnel MIS and so on; and inquiry and report generation, usually with a database.

The MIS era has eventually contributed a new level of needed management information. The increasing interest in MIS had led to much activity in developing techniques and software for data management. However, it should be noted that the new thrust in MIS is on the uses to which the information is put and not how it is processed. The emphasis is on managing the information as a resource, which is important, and not on the intermediate processing stage.

Managements are faced with an accelerating rate of change and an ever more complex environment.

Managers need relevant information, which is information that increases their knowledge and reduces their uncertainty. Thus it is usable by the manager for its intended purpose. Without relevant information, no manager can function effectively. A worthwhile extension to the well-known adage that "management get things done through people," would be that management get things done through people, by using relevant information retrieved from MIS. It is not an exaggeration to state that MIS is the lifeblood of management. Let us look at what management information systems can do to management in two different settings - in an organization and in a library. The efficient performance of an organization is dependent very much on the internal performance of the organization's resources. To illustrate the use of a management information system in monitoring the performance of resources, the following examples from the human resource aspect of a management information system will suffice. An organization's output performance is directly related to the motivation and performance of its human resources. A high staff turnover rate which is monitored by the management information system and identified as occurring in a particular department or in a particular category of staff can indicate poor performance on the part of the employer. Also, a high turnover rate of clerical staff may indicate that management practices do not assist in providing for career progression, personal development or training opportunities. Through the identification of poor human resource management, corrective measures may be taken which will in turn improve the organization's output performance. In a library setting, MIS is the cement that binds together the various elements of a library's organization with one another and with the library's objective of serving its clientele. It provides data necessary for the daily operations of a library as well as for the information, validation and implementation of models. Ideally, it provides information about the effectiveness of library services and operations; about the population of users and the population of non-users; about the library-user interaction and about other relevant factors. Thus, the role of MIS in the library is not too different from what it is in any other organization. It specifically helps in the provision of information that will enable library management to have an overview of their performance and to set in motion, when necessary, machinery for improved and efficient services to users

### **2.1.8 Problem related with MIS:**

There is abundant evidence from numerous surveys both in the UK and the USA that existing MIS, often using advanced computer equipment have had relatively little success in providing management with the information it needs. The typical reasons discovered for this include the following

- ) Lack of management involvement with the design of the MIS
- ) Narrow or inappropriate emphasis of the computer system
- ) Undue concentration on low level data processing applications particularly in the accounting area
- ) Lack of management knowledge of computers
- ) Poor appreciation by information specialist of management's true information requirements and of organization problems
- ) Lack of top management support

The study of MIS is not about the use of computers, it is about the provision and use of information relevant to the user. Undoubtedly, there is an important and growing role for computers and IT in MIS but the technology must be used with discretion. Computers are good at rapid and accurate calculations, manipulation, storage and retrieval but less good at unexpected demands or qualitative analysis or where genuine judgment is required. Computers, certainly, can be used to the best advantage for processing information To be successful an MIS must be designed and operate with due regard to organization and behavioral principles as well as technical factors. Management must be informed enough to make an effective contribution to system design and information specialists (system analysts, accountants, operations researches and others) must become more aware of managerial functions and needs so that, jointly, more effective MIS are developed.

Management do not always know what information they need and information specialist often do not know enough about management to be able to produce relevant information for the managers they serve. There is no doubt that better communication between management and information professionals and a wider knowledge by both groups of MIS principles would greatly facilitate the task of developing relevant and appropriate information systems. It

should be noted, however, that there is no simple checklist of essential features which, if followed, will automatically produce the perfect MIS. What is required is an awareness and understanding of key principles and functions so that the design, implementation and operation of the MIS is the result of informed decisions and judgment rather than haphazard development without regard to real organizational requirements..

**1.33.1 2.1.9 Process of MIS:**

**1.33.2** The MIS implementation process involves a number of sequential *steps* (Murdick and Ross, 1975):

- ) First establish management information needs and formulate broad systems objectives so as to delineate important decision areas (e.g., general management, financial management or human resources management). Within these decision areas there will be factors relevant to the management decision areas, e.g., general management will be concerned about its relationship with the managing board, institute-client relationships and information to be provided to the staff. This will then lead the design team to ask what information units will be needed to monitor the identified factors of concern. Positions or managers needing information for decision making will be identified.
- ) Develop a general description of a possible MIS as a coarse design. This design will have to be further refined by more precise specifications. For efficient management of information processing, the MIS should be based on a few databases related to different sub-systems of the organization.
- ) Once the information units needed have been determined and a systems design developed, decide how information will be collected. Positions will be allocated responsibility for generating and packaging the information.
- ) Develop a network showing information flows.
- ) Test the system until it meets the operational requirements, considering the specifications stipulated for performance and the specified organizational constraints.

- J Re-check that all the critical data pertaining to various sub-systems and for the organization as a whole are fully captured. Ensure that information is generated in a timely manner.
- J Monitor actual implementation of the MIS and its functioning from time to time.

Methodology for implementing MIS (*Crowe and Avison, 1982*):

1. Understand the organization
2. Analyses the information requirements of the organization
3. Plan overall strategy
4. Review
5. Preliminary analysis
6. Feasibility assessment
7. Detailed fact finding
8. Analysis
9. Design
10. Development
11. Cutover
12. Obtain conceptual schema
13. Recruit database administrator
14. Obtain logical schema
15. Create data dictionary
16. Obtain physical schema
17. Create database
18. Modify data dictionary
19. Develop sub-schemas
20. Modify database
21. Amend database

### 2.1.10 Organizational system and MIS:

MIS is designed to give managers the right information in the right time at right level to make the right decision. Organizations have multiple functional systems. These usually include sales systems, call center system, financial system, inventory system, logistic system and more. MIS combines information from multiple systems. This helps management staffers better understands their own department's contributions.

**Figure 2.8**  
**Classification of Level of Management**



(Sources: [www.managementstudyguide.com](http://www.managementstudyguide.com))

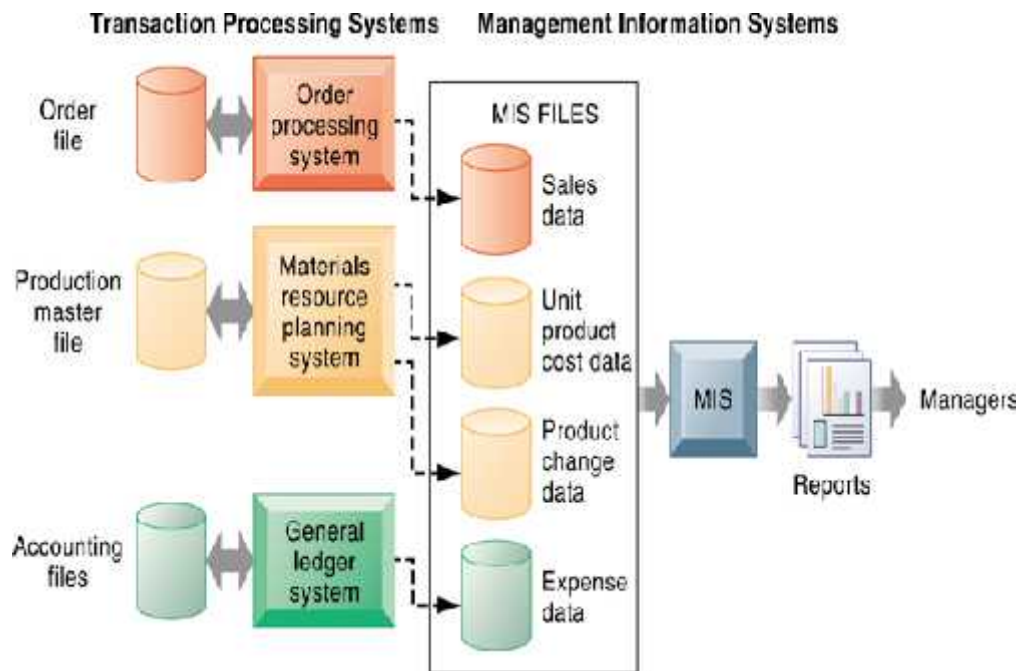
Organizations are hierarchies consisting of three principle levels. Top management, Middle management and Operational management. Information systems serve each of these levels.

Operational level: accuracy & timeliness of information collection and dissemination is important. Efficiency at operational level

Tactical & Strategic level: relevance is the watchword. Effectiveness at tactical & strategic level

Mapping organizational level and structure into the design of any MIS is very important for its successful implementation.

**Figure 2.9**  
**MIS obtain data from Organization's TPS**



*(Sources: 2007 by Prof. Jose G. Lapervanche)*

In the system illustrated by this diagram, three TPS supply summarized transaction data to the MIS reporting system at the end of the time (provide weekly, monthly, annual result). Manager gain access to the organizational data through the MIS, which provides them with the appropriate reports, summarizes, and report on basic operation using data from TPS.

**2.1.11 E-Business and MIS:**

E-business enables an enterprise to spread its wings to the global customer. To extend the sales platform to a futuristic dimension houses have incorporated software that can run on platform offered by the World Wide Web. E-business has now penetrated into consumer goods and other production and service based industries. Web Application Division has proven expertise in creating customized solution that can manage web based business logistic perfectly.

**Figure 2.10**  
**E-Business**



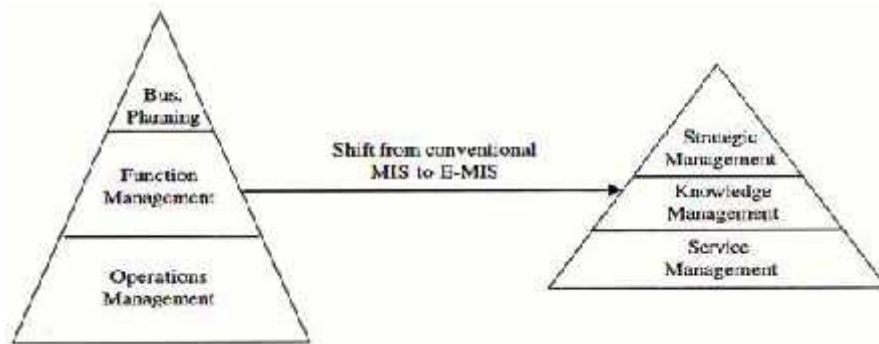
(Sources : [www.ipsrsolutions.com](http://www.ipsrsolutions.com))

E-business essentially means carrying out the business using electronic methods for business process. E-method using tools and technologies enable process to run with greater speed, precision in an automated manner where decision-making is embedded in the process itself. The E-methods transform the business from human driven to information driven where people play a role of knowledge worker.

In E-business, nature of MIS has changed completely because the role of people running the business has undergone radical qualitative change.

**Figure 2.11**

**Organization and MIS structure Change**



*(Sources : Jawadekar 2003:508)*

- ) The organization structure itself has undergone the change as shown in the figure 2.11 the organization has become smaller with less overhead. Every employee's role is information driven.
- ) MIS reporting has become more online and real time which is linked to business status at, point in time.
- ) Nature of MIS is more customer focused than function or performance focused.
- ) With e-business, scope of business is larger and global, inviting more competition. This give rise to MIS where strategic information content is higher.
- ) MIS in E-business talks more knowledge value and can be used for leveraging certain advantage for improving key result areas of the business.
- ) MIS in E-business talks about trends, patterns, analysis, cause and effects.
- ) MIS in E-business forces managers to be more dynamic and quick in response to changing scenario. There is more action and interaction on external front of the business.
- ) MIS in E-business reduces stress of vender management and helps to contain the stress of customer demand management.

## 2.2 Review of Journals and Articles:

Pant (1992) in his article "*Information Technology and the Industrial sector of Nepal*", expresses his opinion that "presence of a computer has not guaranteed improved productivity. This is largely due to unawareness of how to use the computer (i.e. application). The availability of sufficiently trained work force is another essential element that is missing in Nepal. For Nepal, the question is not whether to make or buy the equipment, but to what extent to train professionals in the computer and telecommunication fields and in methodologies for planning, design and implementation of these technology applications. The goal should be to spur the externalization process i.e. the development of a wide range of professional and support services that can enhance the competitive poisoning of a country's economy and its quality of life."

Cafasso (1994) in his article, "*Few IS project come in on time, on Budget*" the following reasons have been given for why IT Development project succeed or fail:

Top five reasons for success:

1. User involvement
2. Executive management support
3. Clear statement of requirements
4. Proper planning
5. Realistic expectations

Top five reasons for failure:

1. Lack of user input
2. Incomplete requirement and specifications
3. Changing requirement and specification
4. Lack of executive support
5. Technological incompetence

Jerresand M. (2002) in his article '*Managing Your Information Across the Enterprise*' "if it were ever possible to get too much of a good thing. It's certainly the case with information. The sheer volume of new information has dramatically increased the complexity of finding what you need. To ensure that the relevant content is delivered to each audience, they must start to manage content more efficiently and effectively. With easy access to the right content

via an internet portal, employees are more effective, make better decision, and are more equipped to help generate new business or higher profit. In addition, easy access to the appropriate corporate or product information strengthens customer and partner relationship, decreasing costs and potentially increasing sales."

Robert Smith. (2008) in his article "Management information system is an integrated set of component or entities that interact to achieve a particular function, objective or goal. Therefore, it is a computer based system that provides information for decisions making on planning, organizing and controlling the operation of the sub-system of the firm and provides a synergistic organization in the process.

The component of an information system includes. a hardware which is used for input/output process and storage of data, software used to process data and also to instruct the hardware component, data bases which is the location in the system where all the organization data will be automated and procedures which is a set of documents that explain the structure of that management information system.

There are various driving factors of management information system for example:- Technological revolutions in all sectors make modern managers to need to have access to large amount of selective information for the complex tasks and decisions.

The management information services are capable of taking advantage of the computational ability of the company like processing, storage capacity among others.

Based on this relevancy, management information system should be installed and upgraded in various organizations since today's managers need them to access information for managerial decision making and also management functions."

Pathak (2012) in his article "*Role of Management Information System in Sustaining Efficiency and Effectiveness of an organization*" has focused on the importance of MIS and suggested that decision-makers can identify patterns and trends that would have remained unseen if the raw data were consulted manually. Not only do MIS systems allow for the collation of vast amounts of business data, but they also provide a valuable time saving

benefit to the workforce it can now be entered quickly and easily onto a computer by a data processor, allowing for faster decision making and quicker reflexes for the enterprise as a whole. While MIS systems are extremely useful in generating statistical reports and data analysis, they can also be of use as a Management by Objectives (MBO) tool. The field of MIS can deliver a great many benefits to enterprises in every industry. Expert organizations such as the Institute of MIS along with peer reviewed journals such as MIS Quarterly continue to find and report new ways to use MIS to achieve business objectives.

### **2.3 Review of Thesis:**

Neupane (2002) carried out a study on *"Management Information System - A Significant Tool for Effective Management of an Organization."* A case study in RNAC with the objectives as below:

- ) To study the practical and theoretical aspect of management information system.
- ) To examine the practice of maintaining information system in RNAC.
- ) To study exiting information system/ flow of information in different department,
- ) Especially in personal and general service department of RNAC.
- ) To study existing decision making process management system, management Process of RNAC
- ) To find out drawbacks of existing information system and provide recommendation for the betterment, if it is needed.

His research findings are

- ) The information system of RNAC and personnel department is based on traditional paper based information system and manually information processing system. There is manual flow of document and information except computerized reservation system of international flight ticket through ABACUS and other CRS software.
- ) There is lack of effective use of micro computer in each and organizational functions and department; it is used for the purpose of word processing, accounting and statistical analysis.

- ) Network based computerized information system is the first requirement for this organization to maintain modern information system and management information system instead of traditional paper based information system.
- ) Centralization of authority over staffing, political influences, lack of effective management, corruption are the major problems for the organizational effectiveness and growth.
- ) There is lack of well trained and skilled IT experts and manpower to maintain computerized information system within the organization and the departments.
- ) It is essential to implement network based information system to eliminate drawbacks generated by traditional information system and traditional way of centralizing the information and authority.
- ) Management of this organization has not put enough efforts towards implementation of network based information system and various modern software to update modern information system. It is due to requirement of high cost and technical manpower. There is lack of skilled IT experts and software engineers.

Yadap (2007) carried out a study on "*Management Information System's Role in Total Quality Management*" ( A case study of Procit BV, the Netherlands) with the objectives below:

- ) To investigate and examine the role of information system in strategically reengineering the business process of Procit BV to achieve the goal of total quality and increased efficiency in terms of output and customer satisfaction.
- ) To identify a long-term systems strategy to the benefit to be reaped from the information system in plan.
- ) To define the management information systems organization that will effectively support the business as it expands.

His research findings are:

- J From the existing system, a major finding was that the two principle blocks that facilitate development and use of MIS are DBMS and telecommunication have been ignored or implemented to a negligible scale. Remote applications environment required in this case is not a LAN or a WAN, but an area across wide spread boundaries of the three countries.
- J The existing system also followed centralized architecture. But observations indicate that user motivation and satisfaction are increase under a decentralized environment. This is attained because users feel more involved and more responsible, systems are better customized to their specific needs, and they usually get better response time in routine operations as well as in request for changes.
- J However, the existing system had taken a lot longer to develop than anticipated, and pressure from the end users caused a string of software development cardinal sins to be committed. As direct results, the existing system was left behind in fulfilling the true objectives of a management information system, and failed in meeting expectation. The unsuccessful start-up caused a high level of frustration among the users.

Maharjan (2009) carried out a study on "*Management Information System in Third World Craft Nepal*" with the objectives as below:

- J To examine and analyze the existing information system of TWCN.
- J To identify the important processes and component of existing system.
- J To assess the feasibility of the proposed MIS of TWCN
- J To suggest and recommend proposed Management Information System to TWCN on the basis of findings.

His research findings are:

- J Third World Craft Nepal uses the manual human oriented process to manage its business processes like handing customer orders and payments. Transactions are still paper based making difficulty in accessing the required information. The use of

computer is just limited for making email communication and maintaining the account of the organization.

- ) Many similar natured organizations of developed countries have already started making the full use of the E-Business and E-Commerce to get the competitive advantage and grab the early customer. Implementing the MIS provides TWCN capability to compete in the global market place.
- ) The MIS provides the integrated communication, electronic product ordering and payment facility, hence the communication get shorter as all the information that customer seeks are instantly available in the MIS of TWCN .
- ) Implementation of MIS will transform the existing human based information system into a systematic.

Mandal (2010) carried out a study on "*Role of Management Information System In Commercial Banks*"- A case study in on Loan Management of Kumari Bank limited (KBL) and with the objectives as below:

- ) To analyses the positive and negative impact of decision through using different models.
- ) To identify the need of IT for decisions in Kumari Bank Limited.
- ) To examine how to convert theoretical aspect of Decision Support System and management Information System in Kumari Bank limited.
- ) To find out the implementation area of IT in Kumari Bank limited.

His research findings are:

- ) The implementation of MIS is necessary for the effectiveness of the department.
- ) The complex organizational structure and multi divisional structure of the marketing department is ambiguous, it is necessary to made clear.

- ) The department needs Network based computerized information system to eliminate the drawback generated by paper based information system and traditional way of centralizing the information authority.
- ) Need for proper infrastructure for the implementation of MIS in the department.
- ) Should train and develop the capability of human resource to handle sophisticated Equipments regarding information technology.
- ) Should maintain necessary infrastructure for implementation of MIS in the Department.
- ) KBL providing different types of loan which is the long process in generally but the new system manage here is very eligible and easy to handle.
- ) Implement a network based computerized information system. These systems Protect the time factor and provide the board facilities of wide technology.

### **Research Gap:**

In the above thesis, the overall study is based on uses and importance of MIS. I reviewed the different articles and master's degree thesis projects. Found that most author has looked into why organization have absence of computer based management information system and suggested the solution, some author try to look on the utilization side of existing MIS by studying the interrelationship among different variables to improve the overall performance of the organization. Lately, some authors designed the system those failed to make use of latest advancement in the field of Information and Communication Technology (ICT).by identifying the requirement of the organization. As most of the researcher are of theoretical aspect and couple of researchers has designed the system, but still

Therefore, there is no specific research made towards MIS of bank of Nepal. This thesis is details research analysis, design, development and explains MIS systems to bank similar to MBL. It may supportive to provide genuine knowledge, "Management information system (MIS) is a system that helps management in making, carrying out and controlling decision. MIS provides information for making decision by management. Management information

system refers to the formal system installed in an organization for purposes of collecting, organizing, storing and processing data and presenting useful information to management at various levels". It is studied the consequences and tried to integrate E-Business ( E-banking) and MIS to design the system for the organization to collect the information regarding to stay ahead of the competitors as well as get more satisfied customer eventually taking the organization to next level.

Hence, there is a clear gap between the previous study made and the proposed study. Therefore, this may be the first research made on the topic.

## **CHAPTER-III**

### **RESEARCH METHODOLOGY**

This thesis related to summarize presentation of the MIS of Machhapuchchhre Bank Ltd.. So the methodology used here are purposeful to meet the requirement of analyzing performance monitoring role of management information system in the bank. The basic concept of research methodology refers to the way in which companies conduct it is the overall framework of the research. It is the process of arriving at the solution of problem through planned and systematic dealing with the collection, analysis and interpretation of facts.

Normally, the methodology includes-

1. Program Planning
2. Survey Development
3. Data Analysis
4. Reporting
5. Consultation & Review

#### **3.1 Research Design:**

Research design provides the glue that holds the research project together. A design is used to structure the research, to show how all of the major parts of the research project--the samples or groups, measures, treatments or programs, and methods of assignment --work together to try to address the central research questions. There are various designs, which are used in research, all with specific advantages and disadvantages. Which one the scientist uses, depends on the aims of the study and the nature of the phenomenon.

To prepare this thesis:

- ) Visited to Machhapuchchhre Bank Ltd. and Collection of data consists of filtering the data that is useful for the study of the thesis.
- ) I made a thorough study of all the data collected. After this the necessary data were sorted and analyzed in a systematic manner. Questionnaire and observation were also conducted as per the requirement.

- ) Review of relevant literature and theoretical finding in management information system and its implementation as well as most common barrier and bridges that companies are facing when implementation initiatives.
- ) To review management information system practices of MBL.
- ) Interviews & Discuss about achieved results in last few years, identifying the main reasons for deviations and improvement potential in the future.
- ) To evaluate the improvement potential of the various improve initiatives, the theoretical evaluations are applied to the case of MBL. As a result, the final thesis was prepared. This thesis is designed in such a manner that it describes the overall performance monitoring role of the management information system of the bank. It is all about the management information system adopted by the company.

### **3.2 Sources of Data:**

Data is information that has been translated into a form that is more convenient to move or process. It is a collection of facts, such as values or measurements. Data is the foundation of all research studies. There can be various Sources of data, only few feasible Sources were used. Most of the information presented in this report has been collected through. The research should be based on primary and secondary sources.

**Primary Sources:** The data which is collected by direct visit to MBL. The study is conducted on the basis of Primary data, its direct Access to the information through the authorized authority such as staff interaction, meeting conclusions and direct communication with respondents and by questionnaire method. etc.

**Secondary Sources:** I used difference Sources like annual publication, organization's websites & so on. .

### **3.3 Data Collection Method**

Data collection methods for impact evaluation vary along a continuum. At the one end of this continuum are quantitative methods and at the other end of the continuum are Qualitative methods for data collection.

For the duration of this thesis, I applied following method for data collection:

- ) Observation
- ) Discussion
- ) Questionnaire Method
- ) Magazine, Publication, newspaper & article
- ) Net Surfing
- ) Reports and Article publish by Machhapuchchhre Bank Ltd.

### **3.4 Data Presentation Tools & Techniques:**

There are so many tools & techniques for existing data collection & presentation. Data collected from Primary sources are displayed in table format and data have been analyzed using percentage method. But somewhere I use own tools as suitability. Some common tools use here likes chart & table, ER-Diagram, Data flow Diagram etc.

In this research study, 20 persons were selected on the basis of their being Supervisors and above & it is believed that it represents the view of MBL as a whole for this research purpose.

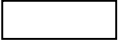
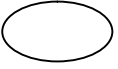
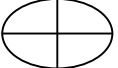
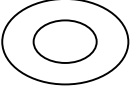
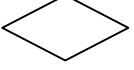
#### **A) Table:**

It presents data/information way to vision. I used somewhere table to present the data.

#### **B) ER- Diagram:**

An entity-relationship (ER) diagram is a specialized graphic that illustrates the interrelationships between entities in a database. ER diagrams often use symbols to represent different types of information.

**Table 3.1**  
**ERD Object Symbol and Description**

<b>Object</b>	<b>Symbol</b>	<b>Description</b>
Entity		An entity is an object or concept about which you want to store information.
Attribute		Attributes are the properties or characteristics of an entity.
Key Attribute		A key attribute is the unique, distinguishing characteristic of the entity. For example, an employee's social security number might be the employee's key attribute.
Multi-valued Attribute		A multi-valued attribute can have more than one value. For example, an employee entity can have multiple skill values.
Relationship		Relationships illustrate how two entities share information in the database structure.


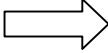
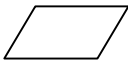

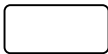
In order to begin constructing the basic model, the modeler must analyze the information gathered during the requirement analysis for the purpose of:

- ) Classifying data objects as either entities or attributes,
- ) Identifying and defining relationships between entity.
- ) Naming and defining identified entities, attributes, and relationships,
- ) Documenting this information in the data document.
- ) Finally draw its ER diagram

C) Data-flow Diagram (DFD):

A DFD shows what kinds of data will be input to and output from the system, where the data will come from and go to, and where the data will be stored. It does not show information about the timing of processes, or information about whether processes will operate in sequence or in parallel.

**Table 3.2**  
**DFD Object Symbol and Description**

<b>Object</b>	<b>Symbol</b>	<b>Description</b>
External Entity		An external entity is a source or destination of a data flow which is outside the area of study. E.g. Customer, Government Agency, Supplier, Accounting Department, Marketing Department.
Data Flow		Data flow shows the flow of information from its source to its destination. A data flow is represented by a line, with arrowheads showing the direction of flow. Information always flows to or from a process and may be written, verbal or electronic. Each data flow may be referenced by the processes or data stores at its head and tail, or by a description of its contents.
Data Store	 Or 	A data store is a holding place for information within the system. It is represented by an open ended narrow rectangle. Data stores may be long-term files such as sales ledgers, or may be short-term accumulations, for example; batches of documents that are waiting to be processed.
Process		The process or activity function shows a transformation and manipulation of data flows within a system. Depending upon the level of diagram, it may represent whole system in a context level diagram (0 level diagram) or a business area, process, function, etc in lower levels.

Data flow diagrams are one of the three essential perspectives of the structured-systems analysis and design method. The sponsor of a project and the end users will need to be briefed and consulted throughout all stages of a system's evolution. With a data flow diagram, users are able to visualize how the system will operate, what the system will accomplish, and how the system will be implemented.

Hence, the above tools & techniques are used in this project to represent the data that provide meaningful information.

## **CHAPTER IV**

### **DATA PRESENTATION AND ANALYSIS**

In order to analysis the different aspect of this thesis work, "Performance monitoring role of MIS" (A case study of Machhapuchchhre Bank). An empirical analysis of Machhapuchchhre Bank Ltd has been carried out in this chapter. In order to achieve the objective with accordance to the given Research Methodology the data are presented and analyzed in this chapter. This is the main central nervous system, which helps to conclude the study through major finding, vital issues and recommendation. This chapter makes the proper linkage with other chapters.

The analysis of MIS starts with the analysis of Decision made in MBL, System view of MBL, computer system in MBL, Hardware Resources Decision Model for Local Currency Management, Flow Chart in MBL, presentation and analysis of primary data and concluding in the test of hypothesis.

#### **4.1 Introduction about Machhapuchchhre Bank:**

Machhapuchchhre Bank Ltd came into existence as part of the Nepal Rastra Bank's (NRB) liberalization of the Nepalese Banking Industry by starting. It's banking operations form 1998 A.D. as the first regional commercial bank from the western region of Nepal. The bank had been promoted by individuals and companies with local roots but from different walks of life a vision and dedication to provide the best financial products, services in the most efficient and professional manner and with the objectives of providing a complete one stop banking solution backed by state-of-the-art infrastructure and creating value to valued customers.

With the merger of its own kind, in fact the first biggest merger of two independent group of the existing Machhapuchchhre Bank Ltd. And the then Standard Finance Company with a paid up capital of above one billion rupees promoted by amongst other prominent local businessmen, the highly renowned Non Resident Nepalese has given a big impetus to the Bank. With this merger, now with a paid up capital of over 2.47 billion rupees, 50 branch offices and 60 ATMs spread all across the country. It is one of the biggest 31 full-fledged

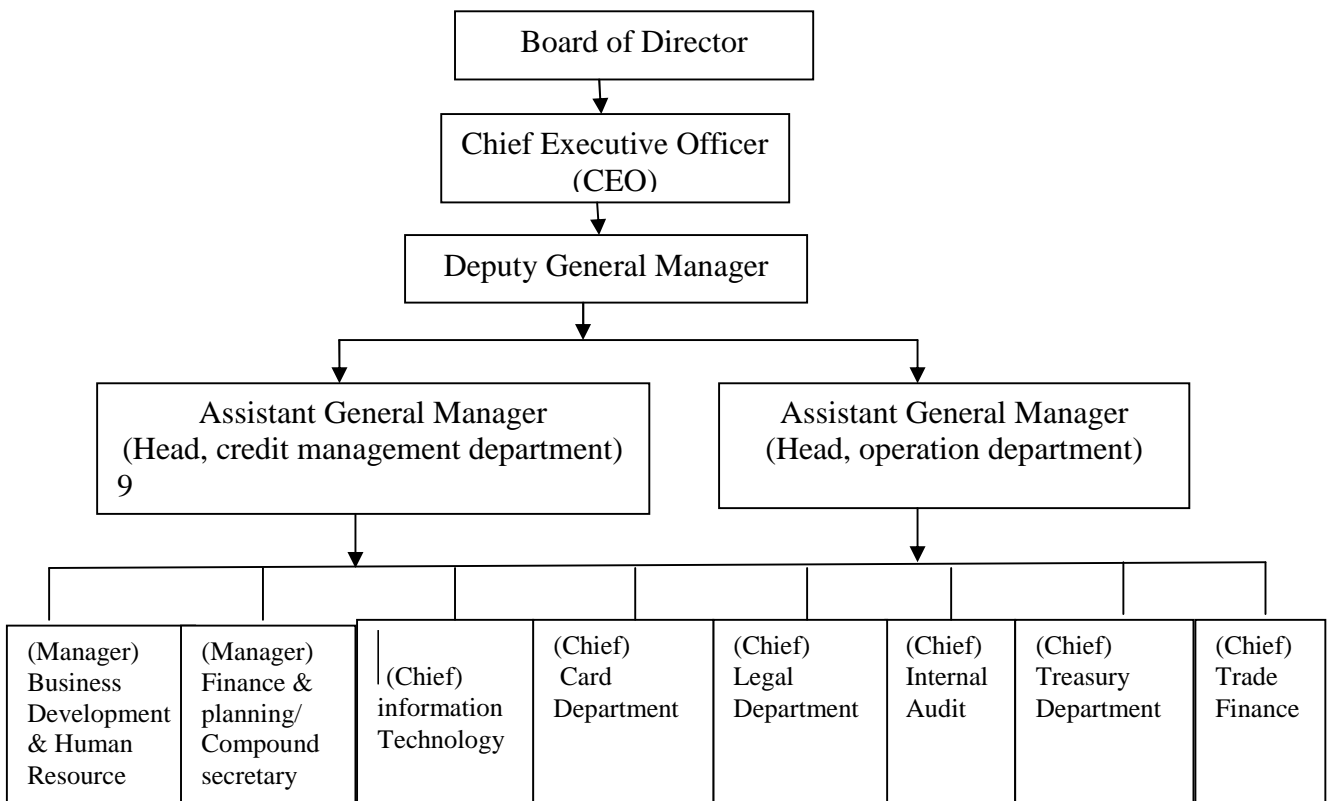
national level commercial banks operating in Nepal. Its head office in Naya Bazar, pokhara and corporate office in Lazimpat, Kathamandu.

**4.1.1 Organization structure of Machhapuchchhre Bank Limited:**

Every organization is run under one kind of system. System is managed by the organization itself. System is one kind of Mechanism which bound the organization. Under this one important system is organization chart, which classified the chart of work and also known as work division. Machhapuchchhre Bank Ltd. Is also service oriented business. An organizational structure of MBL is a set of policies and procedures a company implements to create a distinct division among mangers and employees. This structure will also include information on strategic, information flow and the responsibilities for each employee. It is also under a organization chart which is prepared in figure 4.1.

**Figure 4.1**

**Organization Chart of Machhapuchchhre Bank Limited**



**4.1.2 Hierarchy of Management in Machhapuchchhre Bank Limited:**

Level of management means arranged managerial position in an organization as well as it is the system of dividing the authority and responsibility among the various managerial positions. It is concerned with the classification of superior subordinate relationship in an organization. The level of management depends upon the size and nature of the organization.

**In MBL the hierarchy of management is divided into three levels:**

- ) Top level management
- ) Middle level management
- ) Lower level management

**Figure 4.2**  
**Hierarchy of Management**

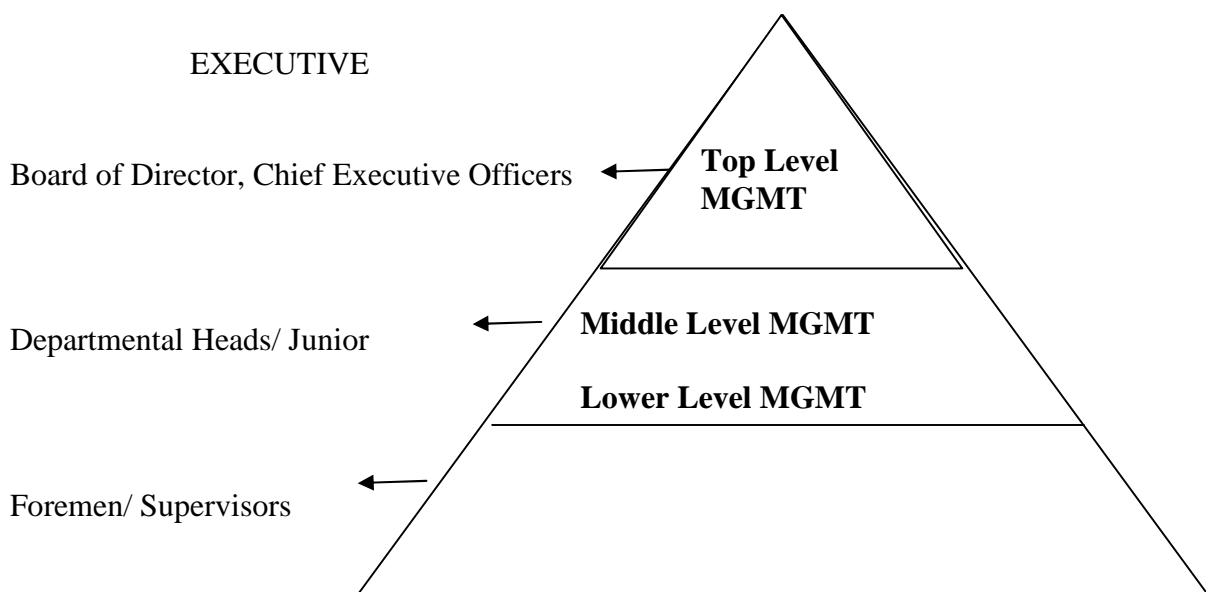


Figure 4.2 shows the hierarchy management in MBL. The levels of managements are inter-related with each other and are equally important for the smooth operation of management. Even a small mistake of one level can affect the whole management process.

- ) **Top level management:** Top level management is the unlimited sources of authority. Top level management of MBL consists of seven boards of directors and chairman cum CEO and other department heads. These people are the governing bodies of the organization and they exercise all authority bestowed on by the MBL ACT for conducting the business smoothly, effectively and efficiently. The top level management of MBL has the highest and is responsible for the success of banking activities. This level determines the objective, policies and plans of the bank.

- ) **Middle Level Management:** Middle level management in MBL consists of all the managers of various departments like Operations, Customer Sales, System, Finance/ Account, Remittance, Human Resource etc. this level of management is concerned with the task of implementing the plans and policies prepared by the top level management. This level management gives recommendation (advice) to the top level management. It co-ordinate the activities of all the departments. This level bridges the gap between top level management and lower level management.
  
- ) **Lower Level Management:** Lower level management consists of the foreman and the supervisors. They are selected by the middle level management. This carries out the regular works of the organization. Lower level management of MBL directs the workers/ employees. This level of management inform the workers about the decisions which are taken by the management. They also inform the management about the performance, difficulties, feeling, demands, etc, of the workers. They have limited authority but important responsibility of getting the work done from the workers. They regularly report and are directly responsible to the middle level management.

#### **4.2 Decision made in Machhapuchhre Bank:**

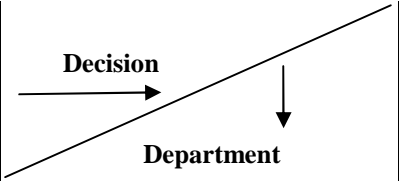
Decisions are the dynamic force that can change the activities and thus the whole system. MIS support decision making in general on all levels in an organization. Decisions are not only made by management and executives but on all levels of the organization.. Decision-making is an integral part of Bank management and occurs in every function and at all levels of the bank although there are markedly different characteristics at each level. Strategic Decisions, made by the top management, are generally of long time horizons, utilize large-scale resources, much creativity and judgments are used, are usually unstructured. While on the other hand Operational decisions, made by Supervisors, Junior Officers are repetitive, occur in a short time scale, small-scale resources are used and are usually structured. Tactical decisions made by middle level managers generally fall between these two extremes. Based on the classification, decisions made in a bank also fall under Strategic, Tactical and

Operational. Banks have goals and sub-goals and problems can occur when the sub-goals are not in balance with the main goal. This on the one hand makes decision making much more complicated and on the other hand, this will lead to sub optimization. Especially in lower levels of a bank where it is natural to give the highest priority to the sub-goal of one's own department. Therefore, a solution can be to make the interdependencies of the different goals transparent to all levels of the organization.

MIS supports management in planning, controlling and decision-making, which in its turn, supports reaching the goals. MIS therefore is a tool necessary to reach the goals of bank, not an end itself. MIS has to be developed to deliver on this.

Bank has goals and sub-goals and problems. Within MBL every employee has yearly SMART (Specific, Measurable, Agreed, Realistic, Time bound) objectives. Commonly, a personal SMART objective is put together based on the SMART objectives of one's direct superior. In this way, the sub goals of each lower layer of management are directly related to the main goal.

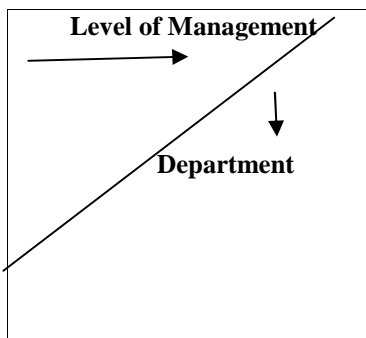
**Table 4.1**  
**Level of Decision Making in Machhapuchchhre Bank**

	Operational	Tactical	Strategic
1. cash	√		
2. Account Operating	√		
3. Remittance	√		
4. Bills	√		
5. Clearing	√		
6. Letters of Credit	√		
7. Guarantee	√		
8. Accounts	√		
9. Treasury Back Office	√		

10. Treasury Front Office	√	√	√
11. Credit Service	√	√	√
12. Credit control	√		
13. Loans	√		
14. Marketing	√	√	√
15. Planning	√	√	√
16. Human Resources	√	√	√
17. Administration	√		
18. Audit	√	√	
19. Internal control	√	√	
20. Legal	√	√	
21. IT	√	√	√

**Table 4.2**

**Responsibility of Decision Making in Machhapuchchhre Bank**

<b>Level of Management</b> 	<b>Supervisors</b>	<b>Managers</b>	<b>Board of Directors C.E.O, Management Committee</b>
1. cash	√	√	
2. Account Operating	√	√	
3. Remittance	√	√	
4. Bills	√	√	
5. clearing	√	√	
6. Letters of Credit	√	√	
7. Guarantee	√		

8. Accounts	√		
9. Treasury Back Office	√		
10. Treasury Front Office	√	√	√
11. Credit Service	√	√	√
12. Credit control	√		
13. Loans	√		
14. Marketing	√	√	√
15. Planning	√	√	√
16. Human Resources			√
17. Administration	√		
18. Audit	√	√	
19. Internal control	√	√	
20. Legal	√	√	
21. IT	√	√	√

Table 4.1 & Table 4.2 show about based on the levels of Decision Making function; various departments are headed by different levels of Management.

) **Strategic Level Management:** In MBL, the strategic level management consists of board of directors, Chairman and CEO. The board of directors and chairman cum CEO are the senior authority of the organization. They are responsible for making final and long term decisions. That means top level management determines the overall objectives of MBL, the resources needed to accomplish those objectives and the policies to govern the acquisitions, use and disposition of these resources. The decisions also include company objectives planning, flight operational problem or other similar types of application. Being in the top level as the supreme bodies, these strategies approves and disapproves plans and programs, estimates annuals budget and priorities of the organization. The need of information in this level is external.

) **Tactical Level Management:** The tactical level management consist of all the organization. Under this level, some decisions are made according to the plans, policies and strategies made by the strategic level management is based in the policy and agreement procedure of the organization that is repetitive and rational in nature.

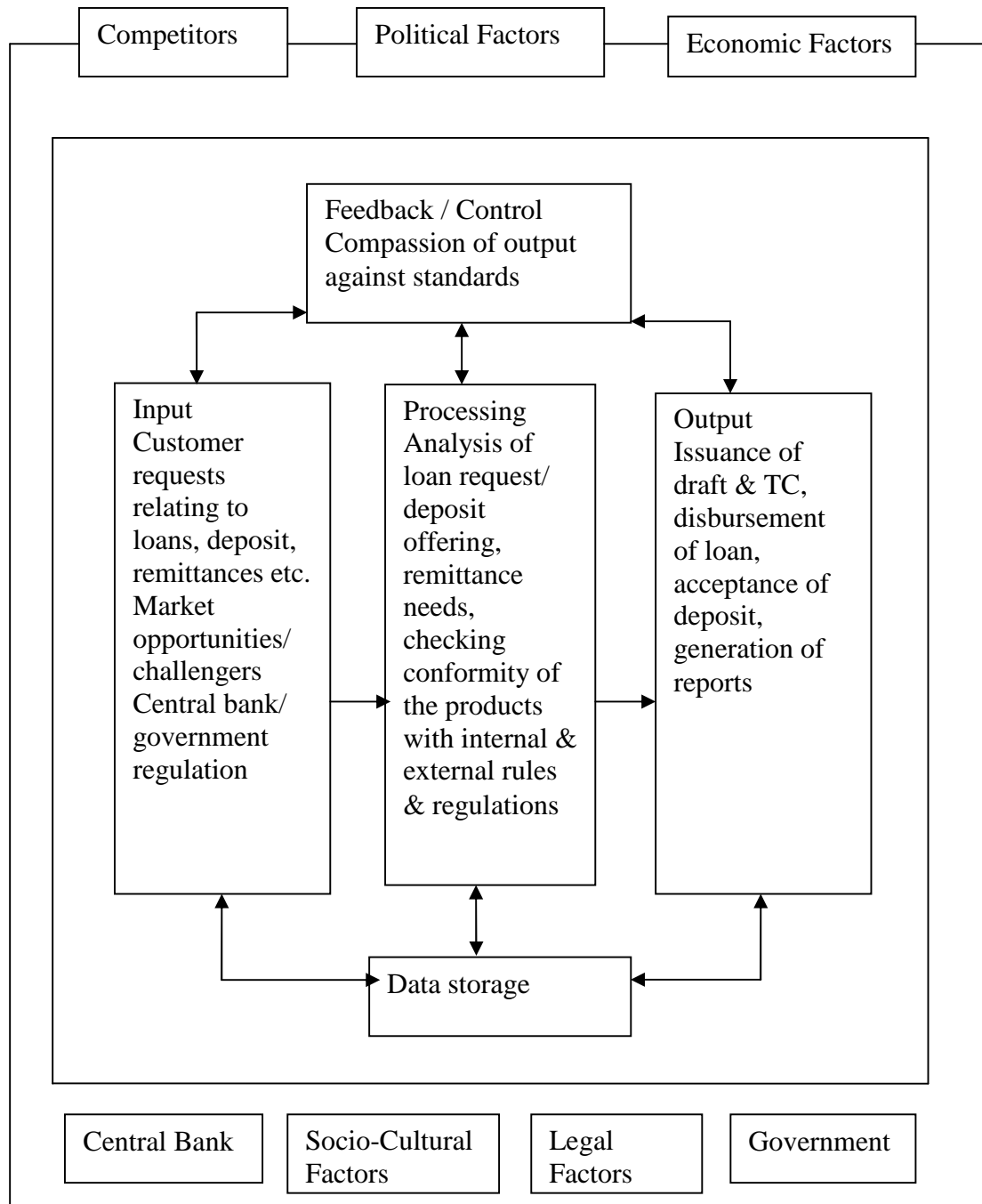
Decision thus made may be programmed or none programmed and depends upon the need of information in this level is internal and structured information is high. In MBL, middle level management assists in allocating and controlling the use of organization resource. Some decisions include financial planning, employees requirement planning, sales promotion planning and flight schedule determination. The time horizon is limited. Some subjective and external data may be needed but the greatest requirements are the internal data.

) **Operational Level Management-** The regular works of the organization are performed in this level. In MBL, operational level management consists of officers and seniors. Decisions in this level are made according to the plans policies formulated by the strategic and tactical levels. This level of management is responsible to control and handle the lower level management. The personnel in this level of management usually make short-term decision like daily or monthly and found in lower organizational levels. The need of information in this level is totally internal and is programmed.

### 4.3 System view of Machhapuchchhre Bank Ltd.:

Figure 4.3

System view of Machhapuchchhre Bank



From the figure 4.3, it is observe that a bank also operates as a system having all the components of a system i.e. input, output, processing and environment. A system consists of elements, which can be belonging together because of a common purpose, goal or objective. A general model of a system is input, process, and output. A system can have many inputs and many outputs.

Input: As in all system, the inputs in Machhapuchchhre Bank are Human Resources (staff), Economic Resources (money).

Processing: The banking software "Globus" plays a big role in the processing stage of the model. Here, the data inputted is processed as per the instruction.

Output: The output of bank is the various services it provides to its customers like different loan products, deposit products, remittance services etc.

Environment: The bank operates in an open system and therefore interacts with various stakeholders from the Socio-economic-cultural environments like, Government, Competitors and Society etc.

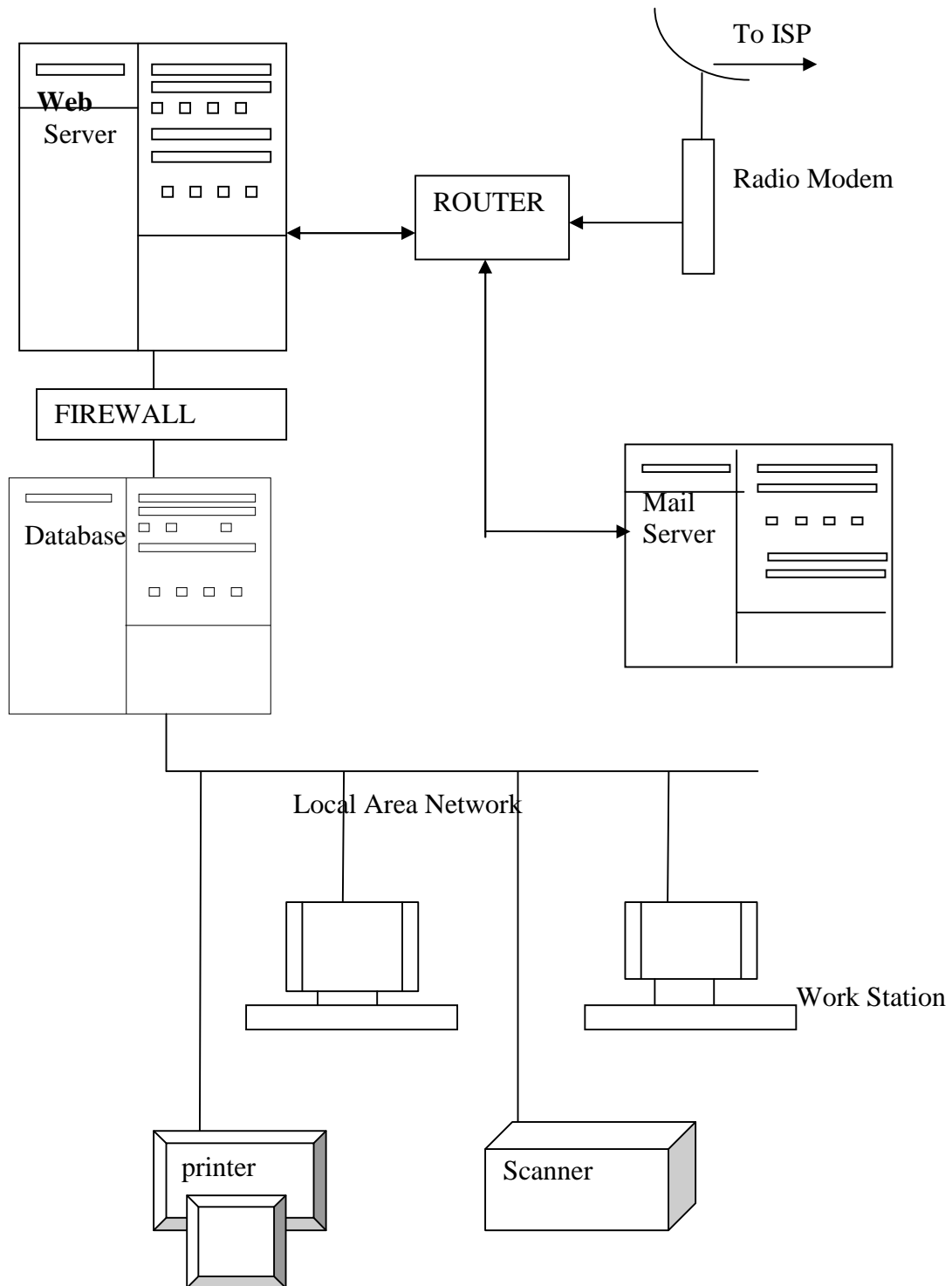
#### **4.4 Computer System in Machhapuchchhre Bank:**

The primary focus of computer technology in the past was to provide processing power for increasingly hungry, such as word processing, spreadsheet and database application. To fulfill its customers demand. Transmission of voice, data, text, sound and images pervades computer information systems regardless of the size of a manager's computer resources. Consider the diversity of organizational tasks that now depend on some from of communication system. Computer system connected to a network to do most of the processing.

Machhapuchchhre Bank Ltd has implemented state of the art technology

**Figure 4.4**

**Schematic view of Machhapuchhre Bank's Computer System**



#### **4.4.1 Hardware Resources:**

**Computer System** consists of central processing units containing micro processors, and a variety of interconnected peripheral devices. The resources used in Machhapuchchhre Bank include: Sun Microsystems, Dell servers, Dell PIV workstations etc.

**Computer peripheral** are devices such as a keyboard or electronic mouse for input of data and commands, a video screen or printer for output of information, and magnetic or optical disks for storage of data resources. The peripherals used in Machhapuchchhre Bank are Laser/ Dot matrix/ Slip Printer, Scanners, Note Counting Machines etc.

#### **4.4.2 Software Resources:**

Machhapuchchhre Bank is using the latest software in carrying out its operation. The Bank is the pioneer in introducing the latest technology in the banking industry in the country. It was the first bank to introduce centralized banking software, GLOBUS BANKING SYSTEM of Temenos NV, Switzerland. Currently, it is using the latest version of GLOBUS referred to as T-24 BANKING SYSTEM. In addition to the banking software, the bank uses the latest MS office suite to carry out the word processing, spreadsheet and presentation functions. Also, Financial Software like Bridge and SWIFT are used.

#### **4.4.3 Data Resources:**

Machhapuchchhre Bank is running its banking software in a versatile data base named Universe.

#### **4.4.4 Network Resources:**

The banks computer system is running a versatile and robust Local Area Network and is connected to the Internet through a large bandwidth Radio Modem.

#### **4.5 Decision Making Phases in Machhapuchchhre Bank Ltd:**

Simon Model of decision making is closely followed in Machhapuchchhre Bank Ltd for making correct decisions. Simon (1960) describes four different stages in decision-making:

- ) Intelligence; discovering, identifying, and understanding the problems occurring in the organization.

- ) Design; identifying and exploring various solutions to the problem
- ) Choice; choosing among alternative solutions
- ) Implementation; making the chosen alternative work and continuing to monitor how well the solution is working.

In unstructured discussions, management has in general described the decisions. Decisions made by management are related to one of these areas and therefore essential for obtaining organizational goals. An example of the decision making process followed in Machhapuchchhre Bank is illustrate below:

**4.5.1. Decision Model for Local Currency Management:**

**4.5.1.1 Intelligence Phases:**

In its normal course of operation a bank has to maintain accounts in various types of banks. Account in the Central Bank is a statutory requirement for fulfilling various functions while accounts are maintain in various local banks for purpose like draft drawing etc. As the bank has accounts in various, management of the accounts and optimum utilization of the funds in those accounts has given to Treasury Department. So there should be an optimum reporting structure in the bank which Treasury Department can know what is the statutory requirement like Cash Reserve Ration and Statutory Liquidity Reserve for a particular period. What is the tentative requirement for credit Department for new Credit Disbursements, how much Loans are repay, the inflow and outflow of Deposits, foreign currency requirements, maturity of Market Placements/ Deposits/ Treasury Bills/ Development Bonds etc. Generally, these requirements are inform to the Treasury Department through various internal reports in a time bound manner create alternate choices.

**Tables 4.3**  
**Example of Reports Generated**

<i>Report Name</i>	<i>Frequency</i>	<i>Details</i>
--------------------	------------------	----------------

Cash Reserve Ratio Report	Weekly Basis	Balance required in Central Bank
Placement Maturity Report	Daily Basis	Specifies the amount, interest rate, counter party of the placement
Draft Issuance Report	Daily Basis	Specifies the amount and the bank / branch on which the draft has been drawn
Loan Disbursement Request	Weekly Basis	Specifies new disbursement to be made over the week
Loan Recovery Report	Daily Basis	Discloses

#### **4.5.1.2 Design Phase:**

Suppose through the intelligence phases the Department comes to know that the bank has funds at its disposal for a certain phase suppose a week, the Department will then proceed to create and analyze various choices. For e.g. suppose the bank comes to know after the study of various reports that the Bank has RS 200 Million excess for period of 1 month. Now Treasury Department will start weighing its option, which can be:

#### **Option 1**

Ask Marketing Department to request clients who have high cost deposits to withdraw their deposits.

#### **Option 2**

Invest in Treasury Bills

#### **Option 3**

Invest in the Local Money Market (Make placement with other banks)

#### **Option 4**

Purchase Foreign Currency.

After having the outlined the option, the Department will proceed to in depth analysis of the options.

### **Option 1**

By requesting clients to withdraw high cost deposit, the bank will decrease its expenses i.e. increase its profit. While requesting clients to withdraw high cost deposit will increase the profit, it might lead to conflict with the client. Also, it must be analyzed whether the bank can mobilize the deposit at a later date at the same cost or not.

### **Option 2**

Another option that the bank has is investing in Treasury Bills. Although investing in Treasury Bills will give the bank, the option of immediate liquidation of the Treasury bills when funds are immediately needs, the return is generally low as there is fierce competition in the interbank market while bidding for the same.

### **Option 3**

Another option is that which the bank has lending overnight in the local interbank market. Although the rate is higher than in Treasury Bills the bank risks the chance that its fund may lie idle in the event of no demand in the local interbank market.

### **Option 4**

The bank can also buy Foreign Currency for its future use. While Foreign Currency account will earn interest, the bank might lose in the spread between the local and foreign currency. The bank might gain if the foreign currency appreciates but also stands to lose if it depreciates.

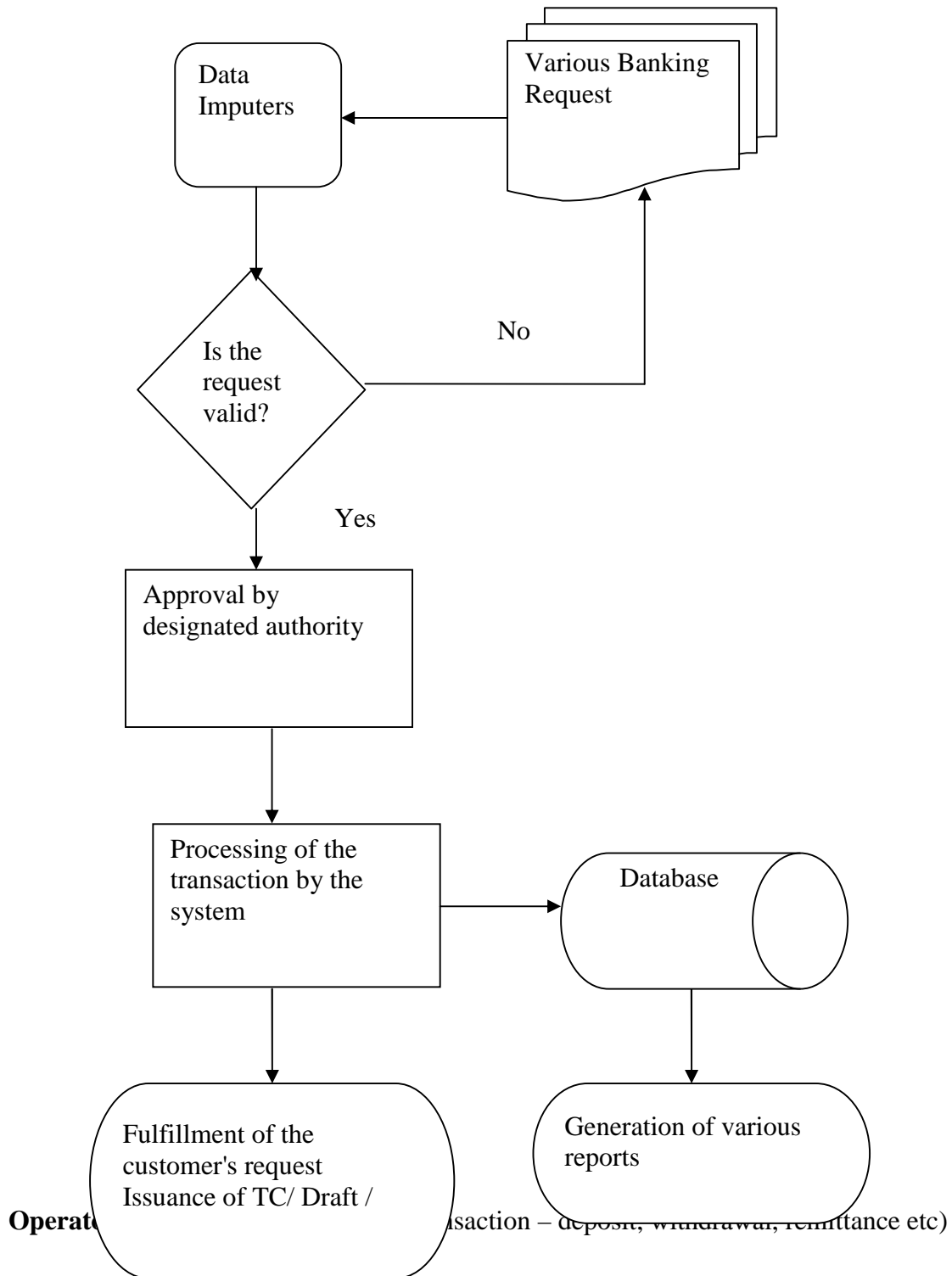
#### **4.5.1.3 Choice Phase:**

After a mathematical analysis has been carrying out in format as shown in the above table, Treasury Department will weigh the different option available in light of various factors and come to a decision. Such decision are semi-structure in nature in the sense that decisions are made data provide by the calculation table (structure in nature) and factors like customer reaction, future rate movements etc are outside the control of the bank (unstructured)

#### 4.6 Flow Chart in Machhapuchchhre Bank:

Figure: 4.5

Flow Chart in Machhapuchchhre Bank Limited



**Data validation** - Balance requirement, NRB approvals etc

**Approval** - Required authority

**Processing** – By system (posting of entries into respective heads etc) i.e. updating of databases.

**Output** –

- ) Various services like generation Draft, TC issuance, Cheque payment etc.
- ) Report Generation
- ) Report for Tactical use daily transaction list
- ) Report for Operational uses: Trial Balance, Income Expense.

#### **4.7 E-Banking system of MBL:**

E-banking involves information technology based banking. Under this I.T system, the banking services are delivered by way of a Computer-controlled system. This system does involve direct interface with the customer. The customers do not have to visit the bank's premises.

The popular services covered under MBL E-banking include:

1. Automated Teller Machine (ATM)
2. Debit Cards
3. Mobile Banking( SMS banking)
4. Internet Banking
5. Telephone Banking. Etc.

) **ATM:** On concept of 24 hours banking, Debit Cards are provided by the Bank to the Account Holders. Their wide array of ATMs in prime locations facilitates customers for easy .

) **MBL VISA Debit:** The VISA Debit card of MBL allows its customers to access a all VISA network of ATMs located in Nepal and India. The VISA cards allow the cardholder to withdraw cash, inquire account balances, mini statement and change PIN number. The card can also be used to pay for purchases in various stores,

restaurants, shops and other merchant establishments having Point of Sales (PoS) terminals.

- ) **Internet Banking:** Customer need to fill in an application form for online banking service to acquire user's ID. From is available in MBL's website or in any of bank's branches. In this system have many features as follow: General- Activity log (change password, change profile), downloads (activity log, account transactions, change of address) and Accounts- balances, account attainments, loans and deposits.
- ) **SMS Banking:** MBL brings customer the SMS Banking facility - a facility that lets clients keep track of account even while on the move. This facility is available for all customers deposit Accounts, exchange rates, statement (account statement for the last five transactions), loan reminders, Help ( timely query response), change pin.
- ) **MBL Mobile Money (M3): MBL customers can now carry their banks accounts in their bank accounts in their cell phones. It is simply an anytime- anywhere banking services for Inquiry** (Balance Inquiry, Forex, Last Five Transaction), **Utility Bill Payment** (Nepal Telecom Postpaid Mobile Bill Payment, Nepal Telecom prepaid recharge PIN purchase, CDMA re-charge PIN purchase , NTC landline Bill payment, Other Merchant Payment) **and Transaction Alert** (Upon the withdrawal/deposit of NPR. 5,00,000.00 (for saving account holders) and (for current account holders), our SMS Server will automatically generate a reminder message and send to the respective account holders.)

### **Advantages of E-banking:**

The main advantages of E-banking are:

- ) The operation cost per unit services is lower for the bank.
- ) It offers convenience to customers as they are not required to go the bank's premises.
- ) There is very low incidence of errors.
- ) The customer can obtain funds at any time from ATM machines.

- ) The credit cards and debit cards enables the customers to obtain discount from retail outlets.
- ) The customer can easily transfers the funds one place to another place electronically.

#### **4.8 Data Analysis of Primary Data:**

The primary data facilitates us to know how executives view MIS and what they think are major factors for a successful MIS. The primary data also helps to test empirically the different hypothesis views and opinions concerning MIS.

Analysis of primary data deals with qualitative aspect of MIS. The qualitative aspects are examined by distributing questionnaires to around 20 executives of Machhapuchchhre Bank ltd. This analysis is mainly based on opinion and thinking of the respondents. The respondents so examine have some role in Decision-making and take help of MIS in some way or other.

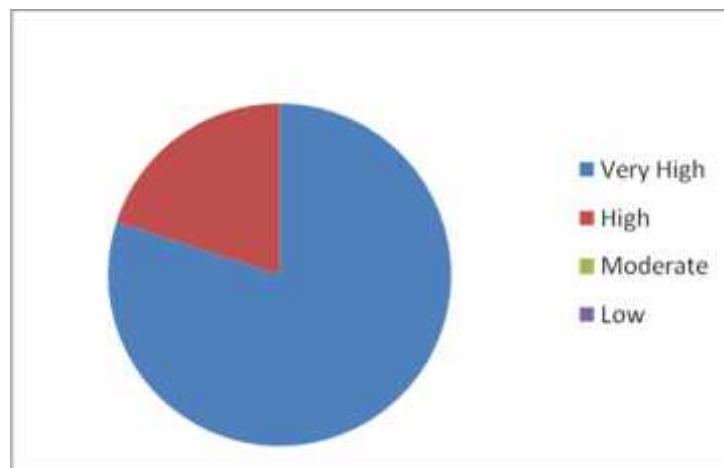
## 1. Importance of MIS

**Table 4.4**  
**Importance of MIS**

	No of responses	%
Very High	16	80.00
High	4	20.00
Moderate	0	–
Low	0	–
Total	20	100.00

From the table 4.4 displays that 16 respondents (80%) opinioned that the importance of MIS is very high & 4 respondents (20%) opinioned that the importance of MIS is high.

**Chart 4.1**  
**Importance of MIS**



**2. Use of MIS in Decision Making**

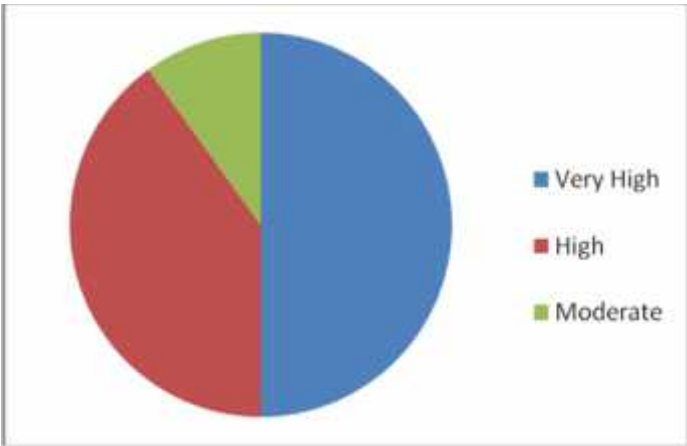
**Table 4.5**  
**Use of MIS in Decision Making**

	No of responses	%
Very High	10	50.00
High	8	40.00
Moderate	2	10.00
Low	0	–
Total	20	100.00

From the table 4.5, it can be observed that a majority of the sample i.e. 50% consider the use of MIS in Decision making " Very High" while 40% consider it to be "High".

Majority of the people who felt that MIS is helpful in Decision Making belonged to the top management in the bank which evidently stresses that there is a correlation between decision making and corporate positions.

**Chart 4.2**  
**Use of MIS inDecision Making**



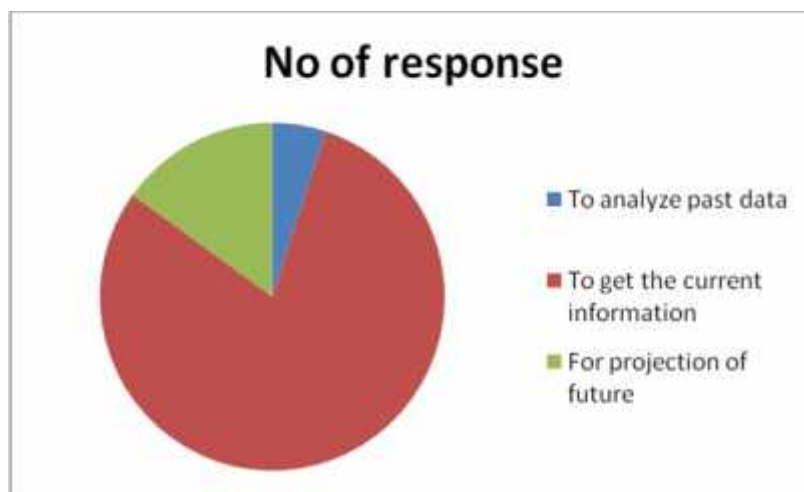
### 3. For which purpose do you use MIS?

**Table 4.6**  
**Purpose of MIS Use**

	No of responses	%
To analyze past data	1	5
To get the current information	16	80
For projection of future situation	3	15
total	20	100

From the table 4.6, it can be observed that a majority of the sample i.e. 80% use MIS to get the current information. Bank management use MIS to get current information rather than past data while taking various kinds of decision in their day to day activities.

**Chart 4.3**  
**Purpose of MIS Use**



]

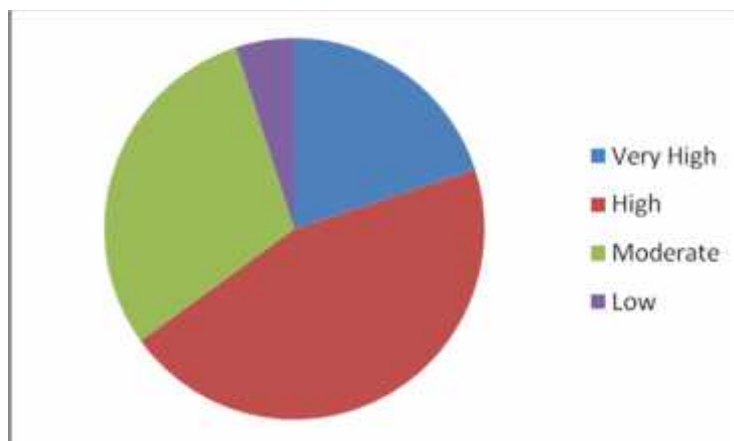
#### 4. Fulfillment of information needs by the current MIS

**Table 4.7**  
**Relation between Information & Current MIS**

	No of responses	%
Very High	4	20.00
High	9	45.00
Moderate	6	30.00
Low	1	5.00
Total	20	100.00

From the table 4.7, it can be observed that a high percentage of the sample i.e. 45% consider that the current MIS fulfills their information needs while 20% consider it to be "Very High". Majority of the people who felt that MIS fulfills their information need making belonged to the middle management.

**Chart 4.4**  
**Relation between Information & Current MIS**



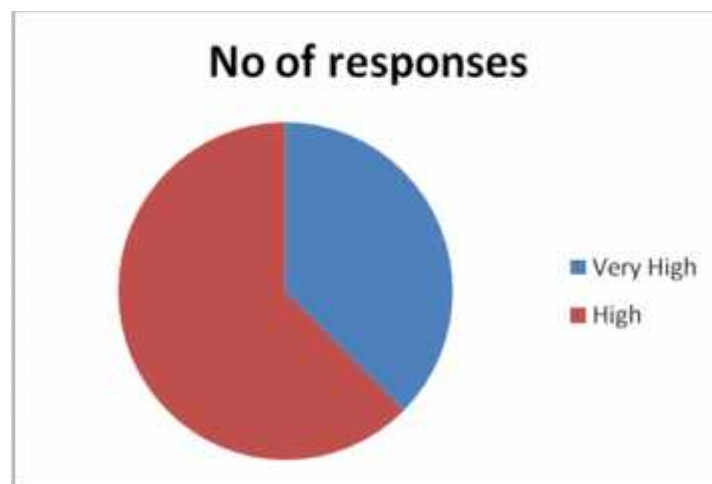
**5. Do bank use other resources like Excel in analyzing the information derived from MIS?**

**Table 4.8**  
**Observed Tools: MIS Vs Alternative**

	No of responses	%
Yes	13	65.00
No	7	35.00
Total	20	100.00

From the table 4.8, it can be observed that a high percentage of the sample i.e. 65% use some other tools like Excel to analyze the information produced by the MIS

**Chart 4.5**  
**Observed Tools: MIS Vs Alternative**



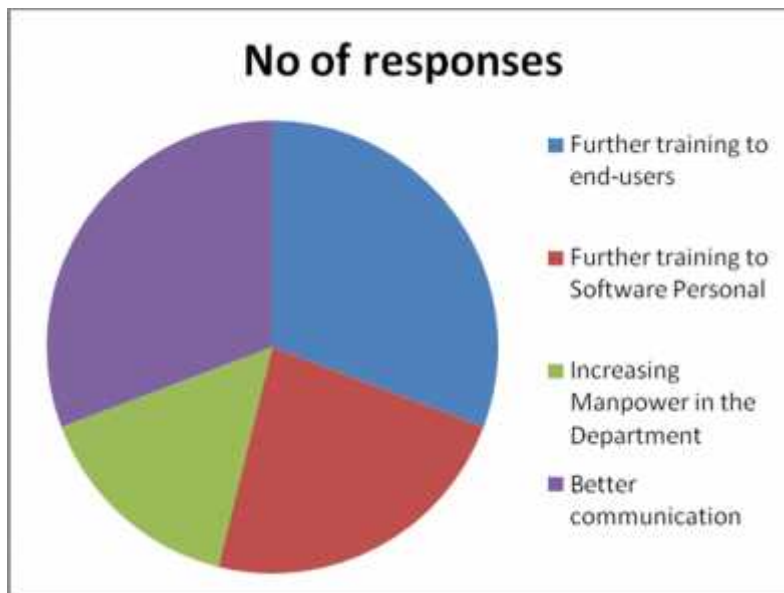
If no, what factors will increase the use of MIS?

**Table 4.9**  
**Increasing factors of MIS**

	No of responses	%
Further training to end-users	4	30.77
Further training to Software Personal	3	23.08
Increasing Manpower in the Department	2	15.38
Better communication	4	30.77
Total	20	100.00

From the table 4.9, it can be observed that 31% think that better communication and further training to end users will increase the utilization of MIS.

**Chart 4.6**  
**Increasing factors of MIS**



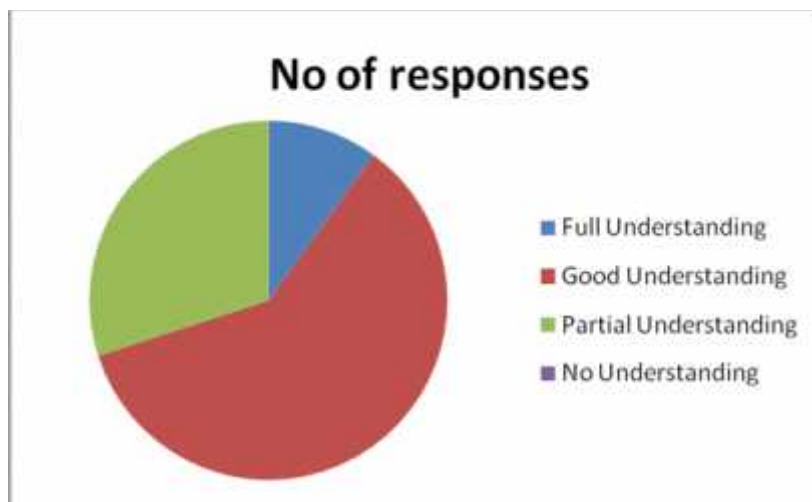
**6. How to you rate your understanding of the MIS?**

**Table 4.10**  
**Understanding rate of MIS**

	No of responses	%
Full Understanding	2	10.00
Good Understanding	12	60.00
Partial Understanding	6	30.00
No Understanding	0	-
Total	20	100.00

From the table 4.10, it can be observed that 60% of the samples have a good understanding of how the MIS works while 30% of the samples have a partial understanding of the MIS.

**Chart 4.7**  
**Understanding rate of MIS**



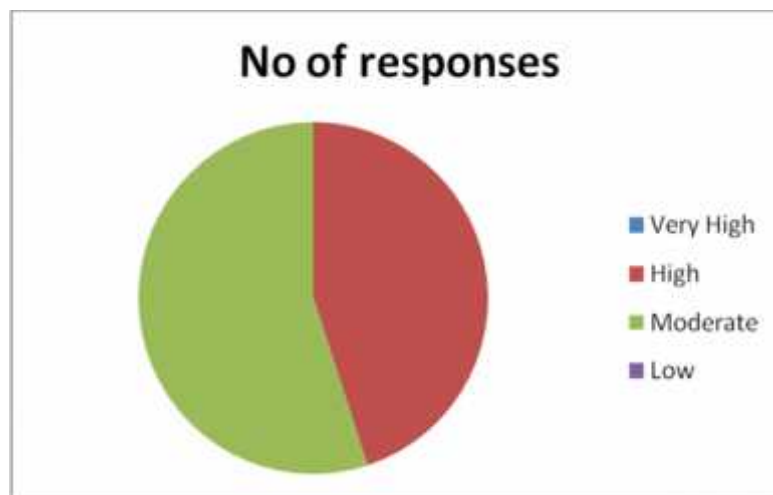
**7. Your comfort using the software?**

**Table 4.11**  
**Comfort using the software**

	No of responses	%
Very High	0	-
High	9	45.00
Moderate	11	55.00
Low	0	-
Total	20	100.00

From the table 4.11, it can be observed that 55% of the sample is moderately comfortable with using the MIS while 45% of the sample is highly comfortable using the MIS.

**Chart 4.8**  
**Comfort using the software**



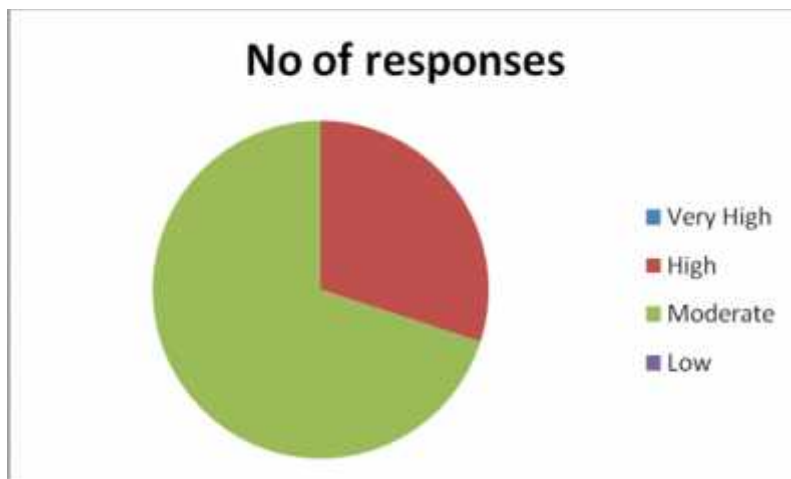
**8. Satisfaction Level with the current MIS**

**Table 4.12**  
**Satisfaction Level with the current MIS**

	No of responses	%
Very High	0	-
High	6	30.00
Moderate	14	70.00
Low	0	-
Total	20	100.00

From the table 4.12, it can be observed that 70% of the sample is moderately satisfied with using the MIS while 30% of the sample is highly satisfied with the MIS.

**Chart 4.9**  
**Satisfaction Level with the current MIS**



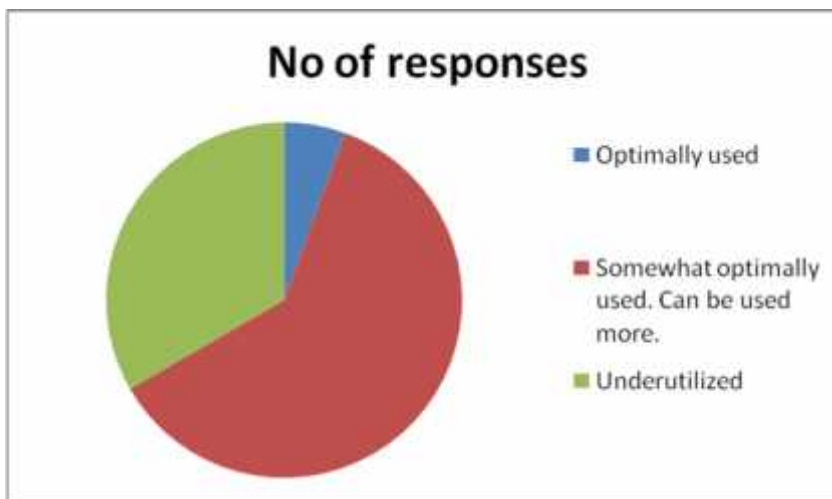
**9. Do you think the MIS system is optimally used?**

**Table 4.13**  
**Used of MIS System**

	No of responses	%
Optimally used	1	5.58
Somewhat optimally used. Can be used more.	11	61.11
Underutilized	6	33.33
Total	20	100.00

From the table 4.13, it can be observed that 61% of the samples think the MIS is somewhat optimally used and fee that there is scope for further improvement while 33% of the sample feel the MIS is underutilized.

**Chart 4.10**  
**Used of MIS System**



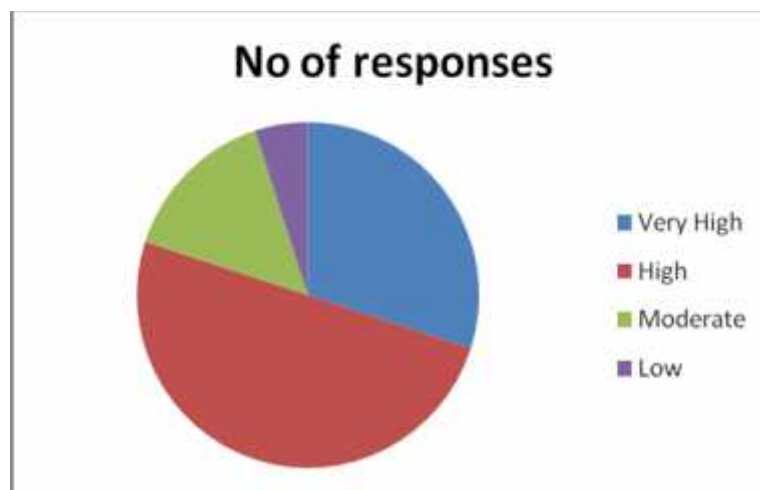
**10. From the above think a good communication channel, which limits the distortion of the flow of information between the user and system personnel/ vender is paramount for the success of MIS?**

**Table 4.14**  
**Factors Affecting to MIS**

	No of responses	%
Very High	6	30.00
High	10	50.00
Moderate	3	15.00
Low	1	5.00
Total	20	100.00

From the table 4.14, it can be observed that 50% of the sample thinks highly that a good communication channel, which limits the distortion of the flow information between the user and system personnel / vendor, is paramount for the success of MIS and 30% of the sample thinks this is true very highly.

**Chart 4.11**  
**Factors Affecting to MIS**



**11. How far do you agree with this statement "an MIS system which is proactive to User demand as well as having a good reactive mode (reactive in the sense that**

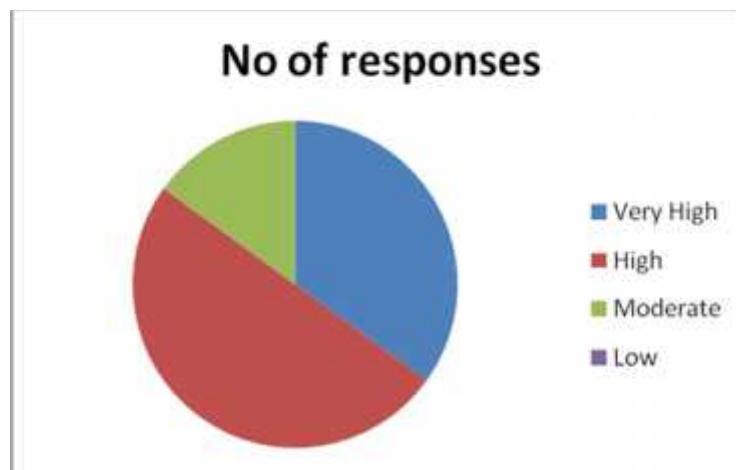
**It easily responds to an end users customization / amendment/ new requests) is the most effective"**

**Table 4.15**  
**Way of Communication and MIS System**

	No of responses	%
Very High	7	35.00
High	10	50.00
Moderate	3	15.00
Low	0	-
Total	20	100.00

Form the table 4.15, it can be observed that 50% of the sample think highly that an MIS system which is proactive to user demand as well as having a good reactive mode (reactive in the sense that it easily responds to an end users customization / amendment/ new requests) is the most effective while 35% of the sample think this is true very highly.

**Chart 4.12**  
**Way of Communication and MIS System**



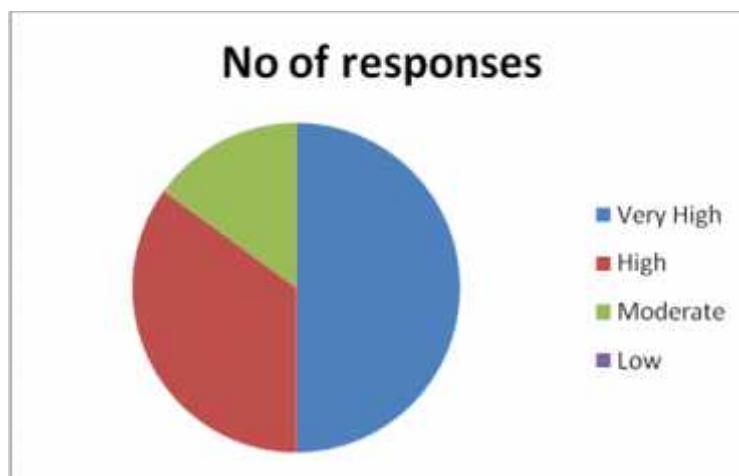
**12. How far do you agree with this statement " for efficient usage of a MIS, the End users of MIS must be trained in the system."**

**Table 4.16**  
**User for Efficient Usage of MIS**

	No of responses	%
Very High	10	50.00
High	7	35.00
Moderate	3	15.00
Low	0	-
Total	20	100.00

From the table 4.16, it can be observed that 50% of the sample think very highly and 35% think highly that for efficiency usage of a MIS, the end users of MIS must be trained in the system.

**Chart 4.13**  
**User for Efficient Usage of MIS**



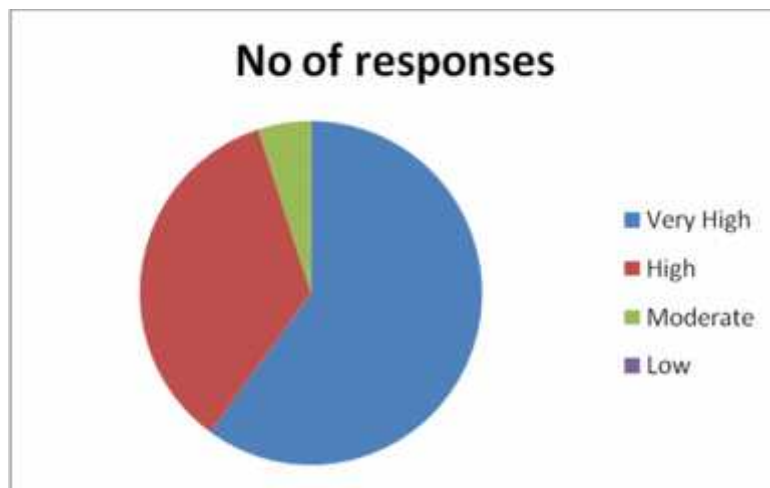
**13. How far do you agree with this statement "for an MIS to be effective, the Software personnel need to be properly trained."**

**Table 4.17**  
**Training for Effective MIS**

	No of responses	%
Very High	12	60.00
High	7	35.00
Moderate	1	5.00
Low	0	-
Total	20	100.00

From the table 4.17, it can be observed that 60% of the sample think very highly and 35% think highly that for an MIS to be effective, the software personnel need to be properly trained.

**Chart 4.14**  
**Training for Effective MIS**



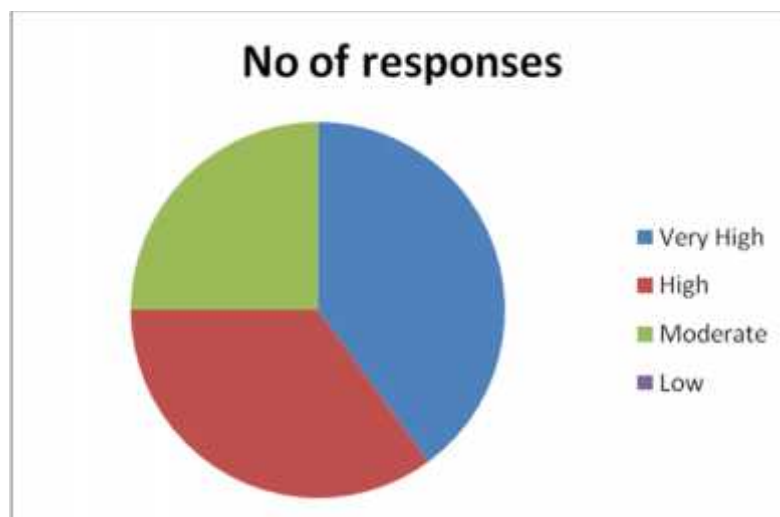
**14. Do you feel the current MIS will be exploited even more if the end users are further trained?**

**Table 4.18**  
**Value of Training for End User**

	No of responses	%
Very High	8	40.00
High	7	35.00
Moderate	5	25.00
Low	0	-
Total	20	100.00

From the table 4.18, it can be observed that 40% of the sample think very highly and 35% think highly that the current MIS will be exploited even more if the end users are further trained for an MIS to be effective.

**Chart 4.15**  
**Value of Training for End User**



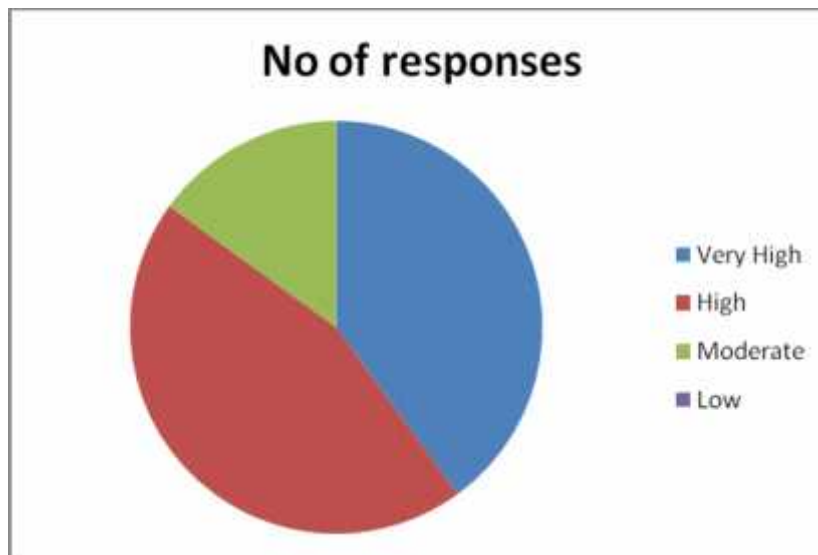
**15. Do you feel the current MIS will be exploited even more if the software Personnel are further trained?**

**Table 4.19**  
**Software Personnel of MIS and further Training**

	No of responses	%
Very High	8	40.00
High	9	45.00
Moderate	3	15.00
Low	0	-
Total	20	100.00

From the table 4.19, it can be observed that 45% of the sample think very highly and 40% think highly that the current MIS will be exploited even more if the software personnel are further trained.

**Chart 4.16**  
**Software Personnel of MIS and further Training**



**4.9 Major Finding:**

) Majority of the user of the MIS consider MIS to be important.

- ) Majority of the user of the MIS consider that MIS helps in Decision-making.
- ) Use of MIS is directed more towards extraction of current information rather than historical information.
- ) MIS is fulfilling the information needs of the users to different degrees of satisfaction Higher management is less satisfied than the middle management.
- ) Further improvement in utilization of MIS needs better communication and training between the various stakeholders.
- ) MIS users are comfortable using the product and have a good understanding of the system.
- ) MIS users are moderately satisfied with the MIS.
- ) The factors which will improve the utilization of MIS are " Good Communication Channel", " Training to end user", "Training to software personnel".
- ) MBL has the most sophisticate GLOBUS banking software enabling it to provide modern banking facilitate like internet banking, SMS banking point of sale services, ATM facilitate, SWIFT facility and many more.
- ) MIS in today's world is a computerized business processing system generating information for the people in the organization to meet the information needs for decision making to achieve the corporate objectives of the organization.

## CHAPTER - V

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter highlights some selected actionable conclusion and recommendation on the basis of the major findings of the study derived from the analysis of MBL.

#### 5.1 Summary

Management Information system will only reap the benefits if the companies gain insight to better align strategies and identify critical relationship and gaps along four key company dimensions- people, process, culture and infrastructure. Information system provides a framework for companies to evaluate themselves relatively to these dimensions, by understanding and improving alignment with these critical dimensions, companies can maximize the value and impact of information as a strategic corporate asset to gain competitive advantage.

A good management information system can help ensure that managers and executives have the information they need when they need it. The perception of customers and the public and "image" and "morale" of the staff though hard to quantify in cost-benefit terms may be among the best reasons to establish good management information system.

In the last decade of economic liberalization in Nepal, business has strived to automate their business to the extent possible. Automation and increasing use of computer in day to day business has resulted in the increased use of various electronic equipment not only in generation of various types reports but also in the overall information management of organizations. Organizations like bank have been leaders in Nepal in using the latest technology for MIS purposes.

The role of MBL cannot be over emphasized. Now, MBL has already spent more than ten years in serving the nation, apart from its traditional function it has served as a major institution for the development of the nation. MBL has been able to improve quality of service and effectiveness in the area that are anywhere banking, SMS banking, internet banking, evening banking, 365 days banking, mobile bill payment, telephone bill payment, VISA debit card, etc.

The present study has been divided into five chapters. The first chapter highlights the introductory part, second chapter deal with review of literature, in which various theoretical as well as empirical reviews have been included. In theoretical review, different theories regarding management information system have been mentioned. And in empirical section different researches have been including management information system, previously done. Chapter three clears the methods and techniques used while doing research have been mentioned. In chapter four, collected data have been processed, analyzed and interpreted using various tools. Summary, conclusion and recommendations for weaknesses have been incorporated in chapter five.

## **5.2 Conclusion**

From this research study on "performance monitoring role of management information system of MBL" had drawn certain conclusions regarding it. While banks have installed the latest MIS software to manage their information needs, consolidation and streamlining in the software in taking place even years after the initial purpose thus reducing the benefits to a certain extent. Therefore the management of any organization should be acutely aware of the various factors which affect the performance of MIS and take corrective actions as and when required. With the help of this study, various factors like training to software personnel, training to end users, good communication channels were identified which has a direct bearing on the performance monitoring role of MIS.

## **5.3 Recommendations**

This researcher would like to provide some suggestion for the better improvement of bank in future. This recommendation based on the study on performance monitoring role of management information system of MBL these is as follows:

- ) The bank should create a distinct MIS department manned by qualified MIS personnel in place of the current practice of MIS department headed by normal banking personnel.
- ) A core group should be formed in the bank with representative from MIS and various department of the bank to monitor and supervise the MIS activities.
- ) Training must be imparted to the users of the MIS on the following issues. Training explaining the rudimentary architecture of the MIS in terms of database (table, enquiry etc.), networking.

- ) The bank should start planning for the future of MIS. The bank should try to create benchmarks for the performance of MIS and carry out periodic evaluation of the actual performance vs. the performance.
- ) As the bank is extensively using excel and other similar tools to analyze various reports, the bank should immediately address this issue.
- ) Periodic interactions at specific intervals among the various stakeholders to discuss various issues related to the MIS so as to smoothen the process of using the MIS.

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APPENDIX 1

Questionnaire Distributed in Machhapuchchhre Bank Limited

1. Importance of MIS
  - ) Very High

- High
- Moderate
- Low

2. Use of MIS in Decision Making

- Very High
- High
- Moderate
- Low

3. For which purpose do you use MIS

- To analyze past data
- To get the current information
- For projection of future situations

4. Fulfillment of yours information needs by the current MIS

- Very High
- High
- Moderate
- Low

5. Do you use other resources like Excel in analyzing the information derived from MIS?

- Yes
- No

If no, what factors will increase the use of MIS?

- Further training to end-users
- Further training to Software-personnel
- Increasing manpower in the department
- Better communication

6. How do you rate your understanding of the MIS?

- Full Understanding
- Good Understanding
- Partial Understanding

No Understanding

7 Your comfort using the software?

Very High

High

Moderate

Low

8. Satisfaction Level with the current MIS

Very High

High

Moderate

Low

9. Do you think the MIS system is optimally used?

Very High

High

Moderate

Low

10. From the above think a good communication channel, which limits the distortion of the flow of information between the user and system personnel/ vender is paramount for the success of MIS?

Very High

High

Moderate

Low

11. How far do you agree with this statement "an MIS system which is proactive to User demand as well as having a good reactive mode (reactive in the sense that It easily responds to an end users customization / amendment/ new requests) is the most effective"

Very High

High

Moderate

Low

12. How far do you agree with this statement " for efficient usage of a MIS, the End users of MIS must be trained in the system."

Very High

High

Moderate

Low

13. How far do you agree with this statement "for an MIS to be effective, the software personnel need to be properly trained."

Very High

High

Moderate

Low

14. Do you feel the current MIS will be exploited even more if the end users are further trained?

Very High

High

Moderate

Low